MONDAY SPORTS
FOOTBALL, BASEBALL
Page 19

International Herald Tribune

Published With The New York Times and The Washington Post

No. 33,460 39/90 ** PARIS, MONDAY, SEPTEMBER 24, 1990 ESTABLISHED 1887

SERIAL DIVISION

Algeria 6.00 Dn. Iran 115 Rials Oman 1.000 Rials
Andorra 23 S. Israel N/S 3.50 Poland 15,000 Zl.
Bahrain 0.800 Dn. Italy 2,200 Lire Portugal 170 Esc.
Belgium 50 B.Fr. Jordan 1 JD Qatar 8.00 Rials
Cyprus C£ 1.20 Kenya Shs. 45 Rep. of Ireland 85 P
Czechoslovakia 25 Kr Kuwait 500 Fils Saudi Arabia 7.00 R.
Denmark 12.00 D.Kr. Lebanon U.S.$1.10 Spain 165 Ptas.
Egypt E.P 3.750 Libya Dr. 360 Sweden 10.00 S.Kr.
Finland 9.00 F.M. Luxembourg 50 L.Fr. Switzerland 2.60 S.Fr.
France 8.00 F. Madeira 175 Esc. Tunisia 1.000 Din.
Germany 2.80 D.M. Morocco 11.00 Dh. Turkey T.L. 3,200.00
Great Britain £0.75 Netherlands 3.00 Fl. U.A.E. 8.00 Dirh.
Greece 200 Dr. Norway 12.00 N.Kr. U.S. Mil. (Eur.) $3.85
Hungary 100 Ft. Nigeria *2.20 Naira Yugoslavia 22 ND.

U.S. Studies Routes For Invading Iraq

Contingency Plans Would Require Authorization of Turkey and Jordan

By Patrick E. Tyler
Washington Post Service

DHAHRAN, Saudi Arabia — U.S. Army and Marine Corps officers have drafted contingency plans to mount ground assaults against Iraq from as many as four directions, according to military officials.

Such combat operations would require U.S. troops to cross the Jordanian desert and Turkish mountains to get to the Iraqi frontier.

The purpose of these multiple assaults, the officials said, would be to prevent President Saddam Hussein of Iraq from massing all 140,000 members of his elite Republican Guard against a U.S. invasion force that might be called on to attack Iraqi troops occupying Kuwait.

U.S. intelligence officials rate the Republican Guard troops, instrumental in Iraq's military victories over Iran in 1988, as equal in training and motivation to U.S. combat troops.

The contingency plans for a multifront war against Iraq are being prepared for President George Bush in the event a United Nations trade embargo fails to dislodge Iraq from Kuwait and the administration decides to attack.

[Secretary of State James A. Baker 3d refused to discuss the plans, The Associated Press reported from Washington. Saying in a broadcast interview that he would not talk about possible operations, he added, "You're going to see speculative pieces from time to time."]

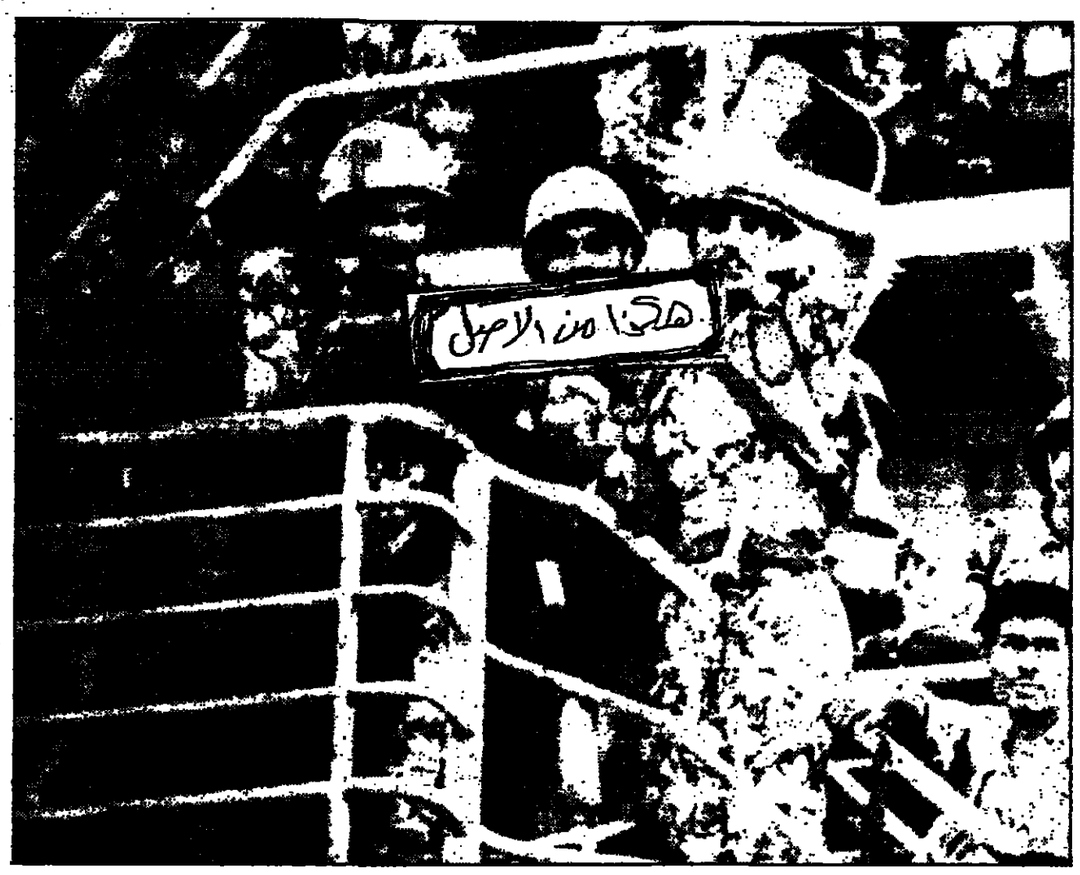
Among the most sensitive aspects of the U.S. planning is the requirement that the Bush administration secure attack corridors through Turkey and Jordan to open western and northern fronts against the Iraqi Army and dilute the combat power of its ground forces.

The opening of these fronts would take pressure off any landing by 11,000 marines now afloat in amphibious assault ships and armored assaults by U.S. Army and multinational combat troops now in defensive positions in northeastern Saudi Arabia.

The navy commander of the first Marine amphibious group to arrive in the area said Friday that in seizing Kuwait, Iraq took more Gulf coastline than it could adequately defend.

And the Marine commander of the task force, Major General Hen-

See ASSAULT, Page 7



Tarek Moro/The Associated Press

Egyptian soldiers landing on Sunday at the Saudi Arabian port of Yenbo were among 15,000 expected to arrive in the next two weeks. Also coming ashore were 42 helicopters from France's Rapid Action Force, which flew from the carrier Clemenceau in the Red Sea.

Iraq Threatens To Strike Israel And Oil Fields if Sanctions Choke

By John F. Burns
New York Times Service

AMMAN, Jordan — President Saddam Hussein of Iraq warned Sunday that Iraq will attack oil fields in Saudi Arabia and other Arab states and use force against Israel if Iraq's 16 million people are "strangled" by the economic sanctions imposed by the United Nations.

After a meeting in Baghdad with Iraq's other top leaders, Mr. Hussein issued a statement in the name of Iraq's ruling Revolutionary Command Council that appeared to bring the threat of war in the Kuwait crisis a step closer.

In previous pronouncements since Iraq's invasion of Kuwait, Mr. Hussein has spoken of striking the Saudi Arabian oil fields and Israel in reply to a U.S. military attack on Iraq. This time, he appeared to be saying that Iraq might mount a preemptive strike, though whether by military action or terrorist actions was not specified.

The statement Sunday, read over Baghdad radio and television, centered on the effects on Iraq of the trade embargo that has cut off all but a small portion of Iraq's trade, including food imports that have accounted for more than 70 percent of Iraq's requirements.

Attributing the sanctions to the United States, the statement said that the penalties had been imposed "in a way that exceeds all humanitarian limits" and that they were cruel even by the standards of those who "believe in the law of the jungle."

The statement went on: "We will never allow anybody, whoever he may be, to strangle the people of Iraq without having himself strangled. If we feel that the Iraqi people are being strangled, that there are some who will deal a sanguinary blow to it, we will strangle all those who are the cause of this."

"The oil areas in Saudi Arabia and in other states of the region, all the oil installations, will be rendered incapable of responding to the needs of those who came to us as occupiers in order to usurp our sovereignty, dignity and wealth," the statement said. It added: "Israel will be affected in all actions that effect the owners of the homeland," meaning Iraq.

The possibility of preemptive strikes by Iraq was alluded to more than once. After warning that those threatening Iraq should be warned that, "We will turn the whole area, including the oil fields, into flames," the statement added:

"Those who wish the flood to overtake the Iraqi people and the nation, and are planning for this, should remember well that the waves of the flood will overwhelm them before they overwhelm the Iraqi people."

After a flurry of actions a month ago that appeared designed to ease tensions in the Kuwait crisis, including the decision to release women and children among the 11,000 Western hostages in Kuwait and Iraq, Mr. Hussein has turned lately to a succession of increasingly militant statements.

More Gulf News

The last "freedom flight" took evacuees to Britain and the United States. Page 6.
Envoys expelled by Riyadh reportedly spied on U.S. and other military targets. Page 7.

■ Apology to France

Iraq apologized to France over the storming of the French ambassador's residence in Kuwait on Sept. 14, saying Iraqi troops thought the building belonged to a member of Kuwait's ruling family, Reuters reported.

The official Iraqi press agency, INA, monitored in Nicosia, quoted a Foreign Ministry spokesman as saying that Baghdad had conducted a "thorough investigation" after French protests over the incident. The intrusion prompted Paris to send ground troops and armor to the Gulf and set off a round of diplomatic expulsions.

There were these other developments in the Gulf crisis:

- Foreign Minister Tariq Aziz of Iraq accused the United States on Sunday of preventing him from flying to New York to attend this

See IRAQ, Page 6

Policy Split Among G-7 Nations Spells Weakness for Dollar

By Carl Gewirtz
International Herald Tribune

PARIS — Analysts expect more of the same — continuing dollar weakness — when foreign exchange markets react Monday to the weekend statement from the Group of Seven meeting in Washington.

The dollar is likely to suffer, they say, because the United States is seeking to lower interest rates in an effort to avert recession while Japan and West Germany, more concerned about restraining inflation, are pursuing tight credit policies.

At best, said Paul Chertkow, Citibank's chief currency strategist in London, the dollar could benefit from a "knee-jerk reaction" from traders who may not be concerned about what he predicts will be an imminent substantial cut in U.S. interest rates.

But Mr. Chertkow, concurring with views expressed by analysts in Tokyo, Frankfurt, Paris and New York, said that there was nothing in the communiqué issued after a seven-hour meeting of finance ministers and central bank governors from the seven leading industrialized nations to alter the dollar's basic downtrend.

The Group of Seven parley, a standard event preceding Monday's joint annual meeting of the International Monetary Fund and the World Bank, concluded that "the correct policy response" to the twin dangers of inflation and slow growth stemming from the sharp rise in the price of oil is "stability-oriented" monetary policies and "sound" fiscal polices, which would sustain the expansion for another year next year.

There were no surprises in the statement. The wording on monetary policy was softer than the tougher commitment to "not accommodate" inflationary pressures, which had been sought by Japan and West Germany.

The Group of Seven says recession can be averted despite the impact of the Gulf crisis. Page 9.

The difference underlined a growing policy conflict between the United States, the world's largest debtor, and Japan and Germany, the major surplus countries, according to John Lipsky, London-based analyst for Salomon Brothers.

This growing rift over policy, Mr. Lipsky added, "is a recipe for additional dollar weakness."

The debate over the wording in the communiqué "is indicative of the difference in views stemming from the underlying differences in the economic situation, with the United States weak and entering recession and Japan and Germany both in relatively strong cyclical positions," said Norbert Walter, senior economist at Deutsche Bank in Frankfurt.

The point the analysts make is that the United States is out of economic synchronization with Japan and Germany, entering a slowdown whereas the others are still experiencing full expansion.

"Their priorities are different," said Christopher Potts at Banque Indosuez in Paris. The Americans are focused on sustaining growth while the Japanese and Europeans are emphasizing controlling inflation.

The experts do not expect a precipitous decline in the dollar immediately.

"It's far too early for that," Mr. Potts said. He cites the Gulf crisis and hesitation about whether that results in a war or a negotiated settlement as restraining traders from "aggressive position taking" against the dollar.

In addition, there is considerable uncertainty about what trend emerges in Tokyo, which is closed Monday for a national holiday.

The fiscal first half for most companies ends this month and no one has a clear idea yet whether the Japanese — who have been selling foreign assets to help make up for losses suffered in the domestic stock and bond markets — will return to foreign markets or continue to sell in anticipation of more bad news in the second half.

Japanese analysts warn that a further decline in Japan's stock prices could fuel the need to go on liquidating foreign assets on which investors are still showing a profit. One banker said that a decline in the Nikkei average of Tokyo stock prices below 23,000 would intensify the need to sell foreign assets. The Nikkei, down 39 percent from the end of last year, closed Friday at 23,777.83.

All the experts are agreed that declining interest rates in the United States will make that market and the dollar less attractive to foreign investors. The only question they have is the timing and the size of the move, which is seen as triggering the dollar's next big slide.

Rimmer de Vries, J.P. Morgan's economist in New York, said the Fed would be "dragging its feet and moving cautiously."

He expects a quarter-point cut in short-term rates

See G-7, Page 11

Kiosk

Hopes Revive On Cambodia

BANGKOK (Reuters) — Leaders of the three Cambodian guerrilla factions accepted a compromise on Sunday proposed by their titular leader, Prince Norodom Sihanouk, and asked for an early resumption of peace talks, reviving prospects for an end to the nation's civil war.

MONDAY Q&A

Robert M. Orr, director of Stanford's Japan Center, discusses Tokyo's "reactive" foreign policy. Page 2.

General News

Boris N. Yeltsin said Russia would resist special powers for President Gorbachev. Page 5.

Sports

Austria is one set away from upsetting the United States and meeting Australia in the Davis Cup final. Page 18.

Crossword Page 6.

Vidal Medina/Reuters

Mr. de Klerk and his wife, Marike, at left, being greeted on Sunday in Washington by Mr. Baker and his wife, Susan.

De Klerk, in U.S., Recalls Rights Struggle

By Thomas L. Friedman
New York Times Service

WASHINGTON — President Frederik W. de Klerk, citing the slain civil rights leader Martin Luther King Jr. as an inspiration for the process of change he has initiated in his own country, arrived Sunday in Washington for talks with President George Bush.

It was the first visit by a South African head of government to America since Jan Smuts met Franklin D. Roosevelt in 1945.

After four decades during which South Africa has been kept at arm's length by Washington because of its apartheid policies, Mr. de Klerk stepped off his jet into a red-carpet reception at Andrews Air Force Base.

His was the first South African Airways plane to land in the United States since Congress banned air links with South Africa as part of anti-apartheid sanctions imposed in 1986.

Mr. de Klerk was invited to Washington in February by President Bush after he released Nelson Mandela, the African National Congress leader, from prison and initiated negotiations to end white-minority rule.

"I am deeply aware of the historical importance of this visit," Mr. de Klerk said at the airport. "South Africa has embarked on a great journey. It is a journey towards full democracy at home and, abroad, full participation in the family of nations. It is a journey that I sincerely believe will bring the fruits of both justice and economic well being to every South African family."

Although a sparse official arrival ceremony for Mr. de Klerk was in marked contrast to the tumultuous ticker-tape parades that greeted Mr. Mandela last June, it apparently did not diminish his satisfaction.

"In a few moments, we will begin our visit to Washington at the Reflecting Pool," said Mr. de Klerk, referring to the ceremony where he

See DE KLERK, Page 6

Is Iran Breaking Embargo?

U.S. Says Tehran Is Allowing Food Shipments Into Iraq

By George Lardner Jr.
Washington Post Service

WASHINGTON — U.S. officials have detected evidence that Iran is allowing some food shipments into Iraq, and they expect Iran to help President Saddam Hussein of Iraq just enough to prolong the crisis in the Gulf without strengthening his hand.

The officials added that it could take months, perhaps years, before Iraq feels the full force of the international trade embargo imposed on it after its invasion of Kuwait.

"It is going to take some time — 8 months, 18 months, 28 months — it's hard to say," one of the officials said. If Iran agrees to an Iraqi request for a hookup of oil pipelines, he said, it will allow the Iraqis "to survive the sanctions almost indefinitely."

Iran has not yet responded to the request, according to intelligence reports reaching Washington, but administration officials say that an Iraq-Iran pipeline carrying from 200,000 to 500,000 barrels a day could be completed in 30 days.

In exchange, Iran would provide Iraq with fresh supplies of food and medicine, if not hard currency, and would probably charge a large per-barrel premium, the officials said.

The officials would not comment on the kinds or amounts of Iranian foodstuffs that they said are reportedly showing up in Iraqi marketplaces. But they said they were convinced that Iran was allowing some food shipments across the border.

The Iranians "don't want to strengthen Saddam, but just to keep him afloat enough so that he doesn't go down easily, enough to cause us problems," this official suggested.

The Bush administration is also studying the possibility that a shuttle of oil tankers plying coastal waters from Iraq to Iran might be employed to evade the embargo.

According to intelligence reports, three Iraqi tankers recently took on about 2.4 million barrels of oil at a terminal on the Gulf and could deliver it to Iran's Kharg Island terminal without entering international waters.

■ Iran Criticizes U.S. Anew

Alan Cowell of The New York Times reported from Cairo:

President Hashemi Rafsanjani of Iran has renewed Tehran's criticism of the U.S. military presence in the Gulf, terming it dangerous and arrogant.

At the same time, he condemned Iraq's invasion of Kuwait, which spurred the Western deployment in Saudi Arabia and elsewhere, saying its principal beneficiary was Israel and the immigration there of Soviet Jews.

Mr. Rafsanjani, whose comments were reported Sunday by Tehran Radio, was speaking at a banquet Saturday for President Hafez Assad of Syria, who is in Tehran, Western diplomats said, to press Iran to observe the international embargo on Iraq.

Mr. Assad, who has promised to send 15,000 soldiers and 300 tanks to Saudi Arabia to join the U.S.-dominated force there, took a more muted line toward the presence of foreign forces in Saudi Arabia — one of the most sensitive issues in a region once dominated by outsiders.

Like the Iranian president, Mr. Assad condemned the invasion of

See IRAN, Page 6

Neighborliness of West Germans Is Wearing Thin

By Serge Schmemann
New York Times Service

BAD HARZBURG, West Germany — Everybody here has stories of the euphoria last November, when the border at Eckertal, a few miles to the east, suddenly began to open.

"At first it was a small hole, and they kept chipping away, and then the first Trabi drove through," said Heinz Sinkemat, the deputy city manager.

Tears and sparkling wine flowed freely, and people from both sides were seized with feelings of kinship and pride.

Now, with unity just weeks away, the residents of Bad Harzburg look to their Eastern neighbors with something of the condescension and irritation that a comfortable burgher might feel toward a poor relative come to stay.

Mr. Sinkemat said that at first, when visitors from East Germany took their first stunned walks along Herzog Wilhelm Street, the elegant pedestrian mall of this resort town, "Westies" pitched in to buy groceries or trinkets for "Ossies," or Easterners, sometimes also referred to as "zonies," the more derogatory name derived from the Soviet occupation zone in which they lived.

But before long, people began to gripe about the traffic and the sputtering Trabant sedans, about the East Germans clogging supermarket checkout lines, about the high cost of unity.

Recently, Mr. Sinkemat said, an East German with a full shopping cart angrily turned to complaining West Germans behind him and shouted: "We waited in line for 40 years! Now you can wait!"

Stereotypes have hardened. To hear people on the street, Easterners dress shabbily, seem timid, overrun discount stores, work badly and have a rude Saxon accent.

They want to have all the television sets, cars and washing machines for which the West Germans worked for 40 years.

"They think that because they haven't had anything for 40 years they can demand it all now," said Karin Lutz, a sales clerk in a jewelry store. "They want to have everything in one day if possible. You just want to say to them: 'You can't be lazy and stand around

See GERMANY, Page 5

NYT

Return of 'Boat People' Pushed

By Steve Glain
International Herald Tribune

HONG KONG — The mandatory repatriation of Vietnamese who have sought exile in Hong Kong is likely to begin before the end of the year under a breakthrough agreement announced over the weekend, Hong Kong's governor said Sunday.

The governor, Sir David Wilson, said he favored the mandatory return, "as soon as possible," of thousands of Vietnamese who have fled their homeland for Hong Kong but who are found to be economic migrants and not political refugees.

His comments followed the announcement Saturday of an agreement reached in Hanoi among Britain, Hong Kong, Vietnam and the United Nations High Commissioner for Refugees. The agreement effectively recognized a class of Vietnamese that some officials were calling "acquiescent nonvolunteers."

"The agreed objective is to initiate a continuing program of repatriation of those nonrefugees who, while not volunteering to return to Vietnam, are nevertheless not opposed to repatriation," the statement said.

Sir David asserted at a news conference, however, that "the objective is to return to Vietnam all those who are found not to be refugees. It must be the objective. You cannot have people who are nonrefugees spending year after year in camps. That is simply not right."

It was not immediately clear how many of the Vietnamese in Hong Kong would be denied refugee status and, of those, how many could be persuaded to return home.

About 55,000 Vietnamese are being held in crowded camps in Hong Kong. The majority of those who have been assessed were found to be economic migrants without genuine fear of persecution in Vietnam and thus were not eligible for resettlement overseas, according to internationally accepted criteria.

As of July, 2,031 Vietnamese had been screened by the government as political refugees, 32,513 were awaiting interviews, and 11,550 had been identified as economic migrants and listed for return to Vietnam.

The British colony's secretary for security, Alistair Asprey, said on his return from the talks in Hanoi that the program could start within weeks.

"There is a clear commitment on all sides to send nonrefugees back, he said. "We are taking things step by step. There has to be a little bit of time."

"Perhaps by the end of the year we will see if any other steps are needed. But no one talked about using force."

In March last year chartered flights started carrying volunteers back to Hanoi. Only 4,361 have gone back so far, and Hong Kong has been pressing for other ways to cut the numbers in the camps.

Sir David said the United Na-

See RETURN, Page 6

Gulf Crisis Clearly Defines Japan's 'Reactive' Foreign Policy

Robert M. Orr is the author of "The Emergence of Japan's Foreign Aid Power," which established him as a leading authority on Japanese foreign policy and economic assistance. He is director of the Stanford University Japan Center in Kyoto, where he spoke with Patrick L. Smith of the International Herald Tribune.

Q. You've characterized Japan's policy apparatus as "reactive." Is this reflected in Japan's current policy dilemma on the crisis in the Gulf?

A. It's precisely demonstrated. Consensus in Japan is infinitely more difficult to achieve than most people realize. There has been a tremendous amount of infighting among ministries as to Japan's appropriate role, and after a month of bickering and dickering, there's still an inability to create a single policy. The only thing pushing Japan forward has been "foreign pressure" from the United States. Without it, in my view, Japan would have done almost nothing.

Q. What's the basic problem here? Why can't Tokyo produce a set of responses

MONDAY Q&A

accepted as appropriate in the United States and elsewhere? Is Japan still in the world but not of it?

A. It's not a question of meeting expectations. Japan should be creating policies to contribute to resolving a truly global crisis. It should move before Washington makes requests. Because of the systemic problem I just mentioned, it's unable to do so.

Q. Isn't there an attitude problem as well?

A. Certainly the Japanese public doesn't necessarily see a great crisis yet. For some Japanese, used to depending on the United States, there's always a feeling that in the final analysis foreign policy really comes down to U.S.-Japan relations. Overall policy is constructed with that in mind. What they should be thinking about is the globalization of policy.

Q. Do you see this crisis as a turning point? What will come out of it — constitutional revision, that sort of thing?

A. It could be a turning point. Certainly, revisions in the Self-Defense Law [which limits Japan to defending its own shores] will be discussed. I'm not yet convinced, however, that great change can be achieved. Japan has never faced crisis decisions in the postwar period. In this case, crisis decision-making failed.

In the U.S. Congress, there will probably be more calls to revise the U.S.-Japan security treaty — in a sense, to globalize U.S.-Japan bilateral relations. Remember, when Japan signed the 1952 treaty, and the revised treaty of 1960, it was a nonplayer, practically a backwater state. That treaty required only that the United States come to Japan's defense. But the Cold War's over, and there are going to be more brushfire incidents that aren't ideological per se. These will require more than a U.S. response, and Japan has to be part of that.

Q. Amid all the controversy, Japan is moving closer to becoming the world's largest aid donor, if it isn't already.

A. In disbursement terms, Japan became the largest donor nation in June. It has made tremendous progress in a very short time. But it's a policy created in part as a response to criticism of Japan as a "free rider," and in part to mollify critics on trade issues. The concern is not necessarily with developing countries, but with how other advanced countries view Japan.

Q. Can Japan spend all that it says it will? What is the implication here as far as the quality of aid?

A. It's difficult. Japan has a notoriously small staff. It's the same size as Britain's, but Britain has an aid program one-fifth as big as Japan's. The decision-making process, involving four ministries on each loan, is complex, to say the least. And a lot of the countries involved, such as Indonesia, simply cannot absorb the volume.

As to quality, Japan is by far the weakest in extending grant assistance. It says loans create discipline among recipients. But there are occasions when Japan creates debt instead of development.

Q. To what extent is Japanese aid still driven by commercial interests?

A. Because of the weakness in staff, they've had to depend on the private sector for help. But Japan has made progress in untying. Last year, more European and American companies won procurement contracts from these loans than Japanese companies for the first time.

Jakarta Bank Scandal Taints Some Close Suharto Advisers

By Steven Erlanger
New York Times Service

JAKARTA — A scandal involving Indonesia's second-largest private bank has become a serious political issue here, embarrassing some of President Suharto's closest advisers and illuminating some of the close connections between business transactions and prominent Indonesian families.

Two weeks ago, the nation's central bank announced that because of "improper foreign exchange dealings" leading to losses of $200 million to $310 million, it was assuming de facto control of Bank Duta and replacing all its commissioners and directors.

Bank Duta is the largest bank in Indonesia not owned by ethnic Chinese, an important symbol in a country extremely sensitive to the disproportionate economic power of an ethnic group that makes up less than 3 percent of the population.

Even more important, Bank Duta is 73.4 percent owned by three foundations of which Mr. Suharto is chairman. And one of its major customers is the Bimantara group, run by Mr. Suharto's second son, Bambang Trihatmodjo. Bimantara is the largest non-Chinese company in Indonesia.

Bankers and Asian diplomats say Mr. Suharto is furious at the loss, and it remains unclear where the money went.

Some Indonesians eager to see Mr. Suharto step down in 1993, after his fifth term as president, said the scandal underscored the close connections between major businesses and banks and the president's family and close associates.

In a strongly worded editorial on Sept. 15 that diplomats called remarkable, The Jakarta Post said the scandal had brought the credibility of Mr. Suharto's 25-year leadership, called the New Order, into question.

"The Bank Duta fiasco, unintentionally, of course, has became a symbolic warning signal" about whether the New Order "is now suffering from systematic fatigue, by moral carelessness," the editorial said.

First reports said that Bank Duta had been caught in speculation on the dollar with the national bank of Kuwait when Iraq invaded Kuwait on Aug. 2. But the central bank governor, Adrianus Mooy, said the crisis had been set off by missing financial data not listed on the bank's ledgers.

"It's difficult to control off-balance-sheet activities," Mr. Mooy said. "It's almost the same as stealing."

In what analysts said was a measure of Mr. Suharto's annoyance, he allowed the dismissal as chief commissioner of Bank Duta of a cabinet minister who has been very close to him, Bustanil Arifin.

Mr. Arifin is the minister of cooperatives, and his wife is close to Tien Suharto, the president's wife. Mr. Arifin is himself a major depositor in the bank and said he took ultimate responsibility.

But he told the Indonesian weekly Tempo that he "was disappointed by that gambler Dicky Iskandar Di Nata," who was the bank's deputy director and was responsible for extending credit. Mr. Di Nata, 39, has a reputation for gambling. He is married to Mr. Arifin's daughter.

On Thursday, Mr. Di Nata's house was searched by officers of the attorney general's office, and he was arrested.

Mr. Arifin told Tempo that he was afraid and ashamed. "I am very close to President Suharto, who has trusted me," he said. "Now I am scared."

Bhutto Called to Court Over Corruption

Compiled by Our Staff From Dispatches

LAHORE, Pakistan — A special one-judge court on Sunday ordered the former prime minister, Benazir Bhutto, to appear in court Oct. 2 to answer corruption charges that could force her out of elections next month.

Justice Rashid Aziz Khan ordered her to appear to show why she should not be barred from public office.

If convicted, Miss Bhutto, 37, leader of the Pakistan People's Party, could be disqualified from the Oct. 24 elections and from holding any public office for seven years.

Justice Khan said the army-backed caretaker government had presented evidence against her.

The government prosecutor, M. B. Zaman, said at the hearing that his evidence showed that Miss Bhutto to answer for her personal instructions to allot land for a luxury hotel in Islamabad, the Lakeview, in contravention of the city plan.

The hotel is at the center of efforts by Pakistan's interim government to prove that Miss Bhutto and her former ministers abused their powers in office.

In the elections, Miss Bhutto is a candidate for the 217-member National Assembly, the law-making lower house of parliament.

She has not made clear whether she will comply with the order to appear. If she refuses, she could still be tried in absentia. She has said previously that she will not appear before the tribunals set up to try corruption charges against her and her former government.

President Ghulam Ishaq Khan dismissed her 20-month-old government Aug. 6 on charges of corruption, political incompetence and abuse of power.

Four corruption charges — two filed in Lahore and two in her hometown of Karachi — have been filed by the caretaker government before special tribunals. Three are still pending.

The charge accepted by Justice Khan alleged that Miss Bhutto misused her power by illegally approving the sale of 287 acres (115 hectares) of federal land to a London-based company operated by a cousin. The land, which was sold at reduced prices, was to be used for the luxury hotel and a resort outside Islamabad.

Other accusations involve the granting of distribution rights of liquefied petroleum gas, a case which will be heard on Monday in Lahore.

The two cases in Karachi relate to the sale of cotton to a British company at less than competitive prices, and the appointment of a consultant in a power distribution project that was funded by the Asian Development Bank.

Miss Bhutto won election in November 1988 and took office a month later as the first woman to lead a modern Muslim nation.

The caretaker government has spent much of the last month trying to portray Miss Bhutto's administration as the most corrupt in Pakistan's 43-year history.

Many Pakistanis and foreign diplomats have criticized the tribunals as one-sided. *(AP, Reuters)*

Agence France-Presse

Mr. Taylor making his announcement of a cease-fire.

Combatants in Liberia Observing Cease-Fire

Compiled by Our Staff From Dispatches

MONROVIA — A unilateral cease-fire in Liberia called by a rebel leader was being respected Sunday by the combatants in Monrovia.

Sporadic gunfire Saturday afternoon in the capital had mostly ended by evening, although a few shots were heard during the night. No more gunfire was heard Sunday.

All the armed groups in Liberia appeared to be observing the cease-fire: the guerrillas under Charles Taylor, leader of the rebel National Patriotic Front of Liberia, who called the cease-fire; the remaining soldiers of the government of the late president, Samuel K. Doe; the troops of the West African peacekeeping force, and the rebel splinter group led by Prince Johnson.

The halt in the fighting brought hope that food, including 5,000 tons of rice from the U.S. government, could be delivered to the devastated capital.

Some of the rebels were capitalizing on the cease-fire to refuel their vehicles from service stations seized in the recent fighting.

Timidly, Monrovia's residents were beginning to show themselves, but no one had begun taking way for burial the numerous corpses rotting in the streets.

The civil war , which began with attacks by Mr. Taylor's rebels on Dec. 24, is believed to have left nearly 10,000 people dead in this nation of 2.5 million people. More than 600,000 people have fled into the neighboring countries of Guinea, Ivory Coast and Sierra Leone.

Mr. Taylor, announcing the cease-fire at a news conference in the bush on Friday, said he wanted peace talks but would never settle for an agreement that did not make him president. He has offered cabinet posts to his rivals.

Others claiming to be the Liberian president are Mr. Johnson, the rival rebel leader; Brigadier General David Nimley, a former aide to Mr. Doe; and Amos Sawyer, an opposition figure who was chosen at a conference of Liberian exiles on Aug. 30.

West African leaders, who sent a 3,000-man task force to Monrovia last month to stop the fighting, have not commented on Mr. Taylor's cease-fire announcement. *(AFP, AP)*

Bombs Wound 8 In Manila on Eve Of General Strike

United Press International

MANILA — Bombs exploded Sunday in two international hotels in the financial district, wounding eight persons. The police and armed forces went on alert for a possible uprising by rebel soldiers during a general strike called for Monday over higher petroleum prices.

The police said the explosions took place in rooms at the Hotel Nikko Manila Garden and the Mandarin Oriental Hotel. Officials have blamed army rebels for a series of bomb attacks in Manila and nearby towns in what they call a destabilization campaign in advance of a coup attempt.

Labor groups led by the radical May 1 Movement said Saturday that they would begin the general strike to protest government oil price rises averaging 32 percent.

President Corazon C. Aquino appealed on the radio for public understanding of the price increases, which she attributed to the Gulf crisis.

THE CHINESE EXPORT COMMODITIES FAIR (CECF)

SPONSORED BY:
CHINA'S VARIOUS FOREIGN TRADE CORPORATIONS
ORGANIZED BY:
CHINA FOREIGN TRADE CENTRE (GROUP)

HELD: TWICE A YEAR
SPRING FAIR : FROM APRIL 15 TO APRIL 30
AUTUMN FAIR: FROM OCTOBER 15 TO OCTOBER 30
IN: GUANGZHOU, CHINA

CORDIALLY WELCOME THE PARTICIPATION OF BUSINESS PEOPLE FROM ALL OVER THE WORLD FOR BOTH IMPORT AND EXPORT BUSINESS WITH CHINA

For invitation, kindly contact:
* Any one of the Chinese Import and Export Corporations
* The Commercial Office of the Chinese Embassy
* The CECF Liaison Department

Add: 117, Liuhua Road, Guangzhou, China
Telephone: 661664, 677000
Cable: CECFA GUANGZHOU
Telex: 44465 FAIR CN

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
For Work, Life and Academic Experience • No Classroom Attendance Required
(213) 471-0306
FAX: (213) 471-6456
Call or write for information or send detailed resume for Free Evaluation
Pacific Western University
7 Waterfront Plaza, 500 Ala Moana Blvd., Dept. 23, Honolulu, Hawaii 96813

INSIGHT GUIDES EGYPT

WORLD BRIEFS

Japanese Cabinet Official Criticized For Likening Prostitutes and Blacks

TOKYO (AP) — Japan's new justice minister has compared prostitutes in Japan to black Americans who move into white neighborhoods and "ruin the atmosphere." He said later that no racial slur had been intended.

The comment, by Seiroku Kajiyama, was the latest in a series of remarks by Japanese government officials that have offended American minority groups. A Washington civil rights group criticized the comment. "It's a reprehensible and racist statement," said Ralph Neas, executive director of the Leadership Conference on Civil Rights.

Mr. Kajiyama made the comment at a news conference Friday after observing a nighttime raid on the Shinjuku district of Tokyo, a notorious red-light district. "Bad money drives out good money, just as in America, where the blacks came in and drove out the whites," the daily newspaper Mainichi Shimbun quoted him as having said. Prostitutes ruin the atmosphere of neighborhoods in the same way, he said.

A Justice Ministry spokesman confirmed the comments Saturday. Mr. Kajiyama issued a statement saying that he had not intended to address racial matters but that his comments had contained "expressions that may cause misunderstanding." He did not make an explicit apology.

Israeli Aide Backs Shooting of Arabs

JERUSALEM (Reuters) — A cabinet minister said Sunday that the stoning to death and burning of an Israeli soldier justified Jews' shooting to kill Arab assailants without fear of investigation or prosecution.

"We need to change the atmosphere," the health minister, Ehud Olmert, said after a cabinet meeting discussed the killing on Thursday of a reserve soldier. "There must be a sense, once and for all, that whoever finds himself in this situation has the authority to use his weapon and to kill those who want to kill him without later facing a commission of inquiry or imprisonment."

Palestinians killed the reservist, Amnon Pomerantz, 46, when he drove into a refugee district in the occupied Gaza Strip, apparently by mistake. He did not fire his rifle as Arabs stoned him and set his car alight.

Swiss Approve Nuclear Moratorium

GENEVA (Reuters) — Swiss citizens have voted to forbid the construction of nuclear power plants for the rest of the century but not to abandon nuclear power altogether.

Voters in many traditionalist areas joined the anti-nuclear lobby in voting for a 10-year moratorium on building new plants, despite warnings of lower living standards and increased dependence on imported oil. The government announced that 947,356 people voted for the moratorium and 787,247 against. The vote also had to be approved in a majority of the 26 cantons or half-cantons. Of these, 22 were for and 4 against.

British MP Shaken by Report of Affair

LONDON (Reuters) — A member of Britain's House of Commons said Sunday that he would not seek re-election following reports that he had a 24-year affair with a singer.

An aide said that Sir Anthony Meyer, 69, who gained national prominence last year when he became the first person to challenge Prime Minister Margaret Thatcher's leadership of the ruling Conservatives, would not seek to regain his Welsh parliamentary seat in the next general elections. The elections must be called in 1991 or 1992.

Sir Anthony, who is married, declined to comment on allegations in the Sunday Mirror and other newspapers about his relationship with Simon Washington, 49, a former model and blues singer who claims to have kept an intimate diary.

India Tries to End Student Protests

CHANDIGARH, India (AFP) — Prime Minister Vishwanath Pratap Singh agreed Sunday to talk with students opposed to his plan for a job quota for lower castes, and a 48-hour curfew was imposed in several northern Indian cities in an attempt to end protests.

Mr. Singh plans to increase the number of places for members of low castes from 22 percent to nearly 50 percent of all jobs with the central government.

On Saturday, the Indian Army was asked to take control of the northern Indian town of Kurukshetra after student mobs set fire to government offices and attacked officials after a student burned himself to death to protest the job quota plan.

TRAVEL UPDATE

Forest Fires Rage on French Riviera

DRAGUIGNAN, France (Combined dispatches) — Forest fires were raging on the French Riviera on Sunday as 2,500 firemen and troops struggled to keep flames away from villages and towns. About 2,500 people had been evacuated from their homes since Friday night when the fires broke out. No casualties were reported.

Roads were cut and dozens of homes burned as flames fanned by high winds cut a trail of devastation. Firemen, backed by 13 water-bombing planes and bulldozers, said 11,500 hectares (28,400 acres) of forests had been destroyed. As much as 90 percent of the Maures forest, already burned in earlier fires this year, was destroyed. Other areas hard-hit were north of Sainte-Maxime and near Flayosc. *(Reuters, AFP, AP, UPI)*

Acapulco officials and hotel owners have begun a project aimed at cleaning up the resort, which has been blighted by overcrowding, litter, pollution and aggressive peddlers. Beaches and streets now are cleaned every morning and about 5,000 peddlers have been removed. *(NYT)*

Travelers who fly round-trip on Swissair from New York, Boston or Chicago to Austria, France, West Germany, Italy or Switzerland on many dates through Dec. 15 are eligible for a free rental subcompact car for one week. The offer applies to two passengers traveling together. *(NYT)*

Revolving strikes by Greek airport personnel, power workers, customs officials, bank employees, teachers, transport drivers and garbage collectors, among others, are set to continue in the country this week. The strikes have caused delays and severe disruptions. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Dominican Republic, Guinea-Bissau, Japan.
TUESDAY: Mozambique, Rwanda.
WEDNESDAY: Yemen.
THURSDAY: Ethiopia.
FRIDAY: Taiwan, Vatican City.
SATURDAY: Bangladesh, India, Israel, Paraguay.
SUNDAY: Botswana.

Source: J.P. Morgan, Reuters

WEATHER

	HIGH C	HIGH F	LOW C	LOW F	
EUROPE					
Amsterdam	15	59	8	46	fr
Athens	27	81	20	68	fr
Barcelona	27	81	20	68	fr
Belgrade	28	82	11	52	fr
Berlin	16	61	8	46	fr
Brussels	15	59	9	48	fr
Budapest	17	63	9	48	fr
Copenhagen	16	61	7	45	fr
Costa Del Sol	30	86	22	72	fr
Dublin	13	55	4	39	fr
Edinburgh	13	55	4	39	fr
Faro	24	75	17	63	fr
Florence	27	81	21	70	fr
Frankfurt	17	63	11	52	fr
Geneva	19	66	14	57	fr
Helsinki	8	46	2	36	fr
Las Palmas	27	81	23	73	fr
Lisbon	23	73	15	59	fr
London	14	61	9	48	sh
Luxembourg	13	55	10	50	fr
Madrid	26	79	17	63	fr
Milan	27	81	16	61	fr
Moscow	13	55	7	45	fr
Munich	18	64	12	54	fr
Nice	24	75	17	63	fr
Oslo	11	52	5	41	fr
Paris	19	66	12	54	fr
Prague	17	63	10	50	fr
Reykjavik	11	52	3	38	fr
Rome	26	79	19	66	fr
Stockholm	10	50	7	45	sh
Strasbourg	19	66	12	54	fr
Venice	24	75	18	64	fr
Vienna	18	64	17	63	fr
Warsaw	15	59	8	46	fr
Zurich	19	66	13	55	fr
MIDDLE EAST					
Cairo	30	86	19	66	fr
Istanbul	25	77	18	64	fr
Amman	—	—	—	—	na
Beirut	27	81	24	75	fr
Tel Aviv	28	82	20	68	fr
OCEANIA					
Auckland	—	—	—	—	na
Sydney	21	70	11	52	cl

	HIGH C	HIGH F	LOW C	LOW F	
ASIA					
Bangkok	34	93	26	79	
Beijing	23	73	13	55	
Hong Kong	30	86	27	81	
Manila	33	91	23	73	
New Delhi	34	93	25	77	
Seoul	24	75	18	64	
Shanghai	26	79	22	72	
Singapore	31	88	25	77	
Taipei	32	90	23	73	
Tokyo	27	81	19	66	fr
AFRICA					
Algiers	34	93	17	63	fr
Cape Town	18	64	11	52	fr
Casablanca	26	79	21	70	fr
Harare	28	82	8	46	fr
Lagos	30	86	25	77	fr
Nairobi	26	79	12	54	fr
Tunis	34	93	19	66	fr
LATIN AMERICA					
Buenos Aires	13	55	4	39	fr
Lima	18	64	15	59	fr
Mexico City	24	75	13	55	fr
Rio de Janeiro	28	82	21	70	fr
NORTH AMERICA					
Anchorage	14	57	8	45	cl
Atlanta	25	77	18	59	fr
Boston	19	66	10	50	fr
Chicago	19	66	16	59	fr
Denver	25	77	7	45	fr
Detroit	22	72	16	61	fr
Honolulu	29	84	24	75	fr
Houston	30	86	24	75	fr
Los Angeles	28	82	14	57	fr
Miami	34	93	23	73	fr
Minneapolis	14	57	7	45	fr
Montreal	14	57	7	45	fr
Nassau	32	90	26	79	fr
New York	21	70	11	52	fr
Phoenix	36	97	22	72	fr
San Francisco	21	70	13	55	fr
Seattle	22	72	14	57	fr
Toronto	18	64	4	39	cl
Washington	22	72	12	54	pc

cl-cloudy; fa-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Showers. Temp. 18—6 (59—43). LONDON: Showers. Temp. 14—5 (61—41). MADRID: Stormy. Temp. 26—13 (79—55). NEW YORK: Partly cloudy. Temp. 17—8 (62—46). PARIS: Showers. Temp. 19—10 (64—50). ROME: Partly cloudy. Temp. 28—14 (79—57). TEL AVIV: Not Available. ZURICH: Showers. Temp. 18—9 (64—48). BANGKOK: Showers. Temp. 33—25 (91—77). HONG KONG: Not Available. MANILA: Cloudy. Temp. 32—24 (90—75). SEOUL: Cloudy. Temp. 24—15 (75—59). SINGAPORE: Showers. Temp. 30—24 (86—75). TOKYO: Cloudy. Temp. 28—21 (97—70).

هكذا من الأصل

AMERICAN TOPICS

Plus Ça Change, Plus C'est la Même Chose

"If I told you right now that I had been working on a film for the past five and one-half years that was about the Imperial Presidency, that was about a developing women's movement, that was about an ever-present civil rights question, about incompetent generals, about military contractors who sold shoddy goods to the government at inflated prices, about Wall Street speculators who traded on inside information and made millions, about flag desecration, you would say, 'You are making a piece about contemporary America.' But I am making a piece about the Civil War, and every one of these issues and more *that touch us and reverberate today, reverberated back then. We will never not be fighting the Civil War in some way."*

—Ken Burns, 37, a filmmaker who has just finished "The Civil War," a five-part, 11-hour television documentary, for the Public Broadcasting Service, in an interview for The New York Times with Jon Mlims, who wrote the screenplays for "Apocalypse Now" and "Jeremiah Johnson."

Short Takes

For 30 years Bob Ausmus, a rancher in California's Mojave Desert, campaigned to get telephone service for his hometown of Cima (population 20). Finally, mountaintop transmitters are expected to provide service by early next year. But it will be too late for Mr. Ausmus, 69, who died of a heart attack last week, alone and 30 miles (50 kilometers) from the nearest phone. "If he had had a phone, I can't help but think he might be alive today," said J. Clayton Brown, a neighbor and lifelong friend. "At least he would have had a fighting chance."

For most doctors, four years of college, four years of medical school and four years of hospital internship are enough. But some physicians are now spending up to two additional years earning master's degrees in business administration and management, The New York Times reports. They want to qualify for public service, business ventures in pharmaceuticals and biotechnology, insurance work or hospital administration. "You can always hire consultants to tell you what to do," says Thomas E. Baron, a urologist who runs a clinic in Springfield, Illinois, and holds an MBA, "but the problem is, you don't know if they're giving you good advice."

"My job as assistant district attorney in New York County," recalls Gerald Harris, a New York lawyer, was to prosecute the comedian Lenny Bruce in 1964 on a charge of using obscene language in his nightclub act. "My problem was, I couldn't stop laughing long enough to get it done." At a pretrial hearing, "as the tapes were played in a packed courtroom, I bit my lip continuously to keep from bursting into laughter." Mr. Bruce "saw my struggle," he said. "Our eyes locked. At that moment, I knew I could not be Lenny Bruce's prosecutor." Mr. Harris resigned from the case.

Shorter Takes: The California Legislature has passed a bill requiring all companies with more than 25 employees to give them up to four hours a year off from their jobs to visit their children's schools. ● The Judicial Conference of the United States, which sets policy for the federal court system, has decided to admit television cameras to courtrooms on a a three-year experimental basis. Forty-five of the 50 states allow cameras in court.

About People

Elliot L. Richardson, who during the Nixon and Ford administrations held more cabinet posts than anyone else in U.S. history — four — says that he was able to transfer from post to post quite a bit of the "knowledge of how to go about dealing with the problems of a department, and trying to give leadership." He also found dealing with the White House, the Office of Management and the Budget, the press and Capitol Hill to be similar in each case. "One can get to be more or less of a pro," he said.

Governor **Mario M. Cuomo** of New York, a former minor league baseball player, went before the National League expansion committee to argue that Buffalo should be granted a major league franchise. "These are baseball fans," he said of residents of the northern New York city. "They like being out at a game where it can rain on your head. I like the idea there is no roof on this field and that there's real grass that can die and get brown like it's supposed to."

Arthur Higbee

A U.S. Deficit Pact: Little Help Now, but Vital in Long Term

By David E. Rosenbaum
New York Times Service

WASHINGTON — At a news conference with out-of-town reporters last week, President George Bush said an agreement with Congress to reduce the federal deficit was "the best antidote to further economic slowdown."

But economists with a wide range of views on the dangers of the deficit agree that a budget deal would do little to help the country weather the current economic slump and could even worsen the situation for a time.

"The budget deficit didn't cause the recession, and fixing the deficit isn't going to cure it," said John H. Makin, director of fiscal policy studies at the American Enterprise Institute.

Mr. Makin and most of the other economists say that cutting the deficit now is in the country's long-term interest and that the president and Congress should not abandon their negotiations just because the economy is shaky.

But many say the immediate effect of raising taxes and cutting government spending would be to slow the economy further.

The Federal Reserve, they say, could be expected to lower interest rates in response to a serious plan to reduce the deficit. But they observe that changes in interest rates

NEWS ANALYSIS

generally take six to nine months to work their way through the economy, while tax and spending changes are felt at once.

"There is no way that raising taxes or cutting spending is not going to be contractionary," said Benjamin M. Friedman, a Harvard economist whose book, "Day of Reckoning," is widely cited in support of the view that large deficits pose grave dangers. "It does little good for people like me who believe strongly in a budget deal to say otherwise."

Mickey D. Levy, chief economist at CRT Government Securities on Wall Street, expressed the prevailing view.

"The primary reason for reducing the deficit," he said, "is not to influence the direction of the economy in the short run. We want lower deficits to slow the growth in debt and to increase long-term economic potential."

Administration officials and congressional leaders have been working since spring on a plan to cut the deficit by $50 billion in the next fiscal year and by a total of $500 billion over the next five years. The deficit is now estimated at $250 billion in a budget of $1.2 trillion.

A smaller group of the Bush administration's three chief economic policy makers and the five top congressional leaders met most of last week in a back room at the Capitol and still failed to reach an agreement. They were to resume their talks this week.

Unless an accord is reached or the law is changed, across-the-board spending cuts of more than 30 percent in most government programs would automatically take effect with the start of the 1991 fiscal year on Oct. 1.

Economists say the economy would soon collapse under the strain of such large, indiscriminate spending reductions.

The main sticking point has been over President Bush's insistence on a capital gains tax cut, and the Democrats' determination to impose higher taxes on the wealthy. There is also significant disagreement on how to apportion spending reductions.

Economists disagree over whether the economy is actually in a recession, is likely to enter one soon or will narrowly avoid one.

The official definition of a recession is a decline in the gross national product for six months in a row, which has not occurred.

Blue Chip Economic Indicators, the monthly survey of 50 prominent economists, found this month that 25 thought a recession had started or would start this year, and that eight expected a recession next year.

Even those others who do not see a recession at hand are forecasting a period of slow growth in which many parts of the country will feel a serious pinch.

So whether a recession actually occurs is a matter of definition; economists all agree that the economy is now weak.

Herbert Stein, chairman of the Council of Economic Advisers under President Gerald R. Ford, said the deficit "does not tip the economy from one quarter to another."

But he added that it should be reduced for two reasons.

"First, the effect of deficit reduction on long-term economic growth, while small, is worthwhile," he said. "Second, the deficit gets in the way of all kinds of other decisions, whenever we have to decide whether to help Poland or fight drugs or whatever."

In "Day of Reckoning," Mr. Friedman wrote that failure to lower the deficit would mean "a lower standard of living for individual Americans and reduced American influence and importance in the world."

Other economists observed that as long as the deficit remained high, the country would have to spend a larger and larger share of its resources to make interest payments to its creditors.

The General Accounting Office, the government's chief auditing agency, noted in a recent report that interest payments were rising so fast that at the current rate they would become the largest single item in the general fund of the budget by 1992.

Helms and Gantt Wage a War Of Negative Campaign Images

By Robin Toner
New York Times Service

RALEIGH, North Carolina — Meet Harvey Gantt, the Democratic candidate for the U.S. Senate, as defined by the television advertising of his opponent, Senator Jesse Helms of North Carolina:

Mr. Gantt "is asking you and me to approve of some pretty awful things." He would allow abortions "in the final weeks of pregnancy." He opposes the death penalty "for rapists who brutally beat their victims." He wants to slash the military budget. He has "extreme liberal values."

Meet Mr. Helms, as defined by the Gantt campaign:

He would rather "fight a few artists" than help the schoolchildren of North Carolina. He has "the worst education record" in the Senate. He wants to change the U.S. Constitution "to fit his views." His television advertising should be labeled "hazardous to the truth."

Six weeks before the election, the Gantt-Helms race has become a classic battle of the airwaves, a volley of charges fired on the borders of the afternoon soap operas and the evening news.

According to a poll published Saturday by The Charlotte Observer, the race is virtually a dead heat.

Carter Wrenn, a top strategist for Mr. Helms, said he did not expect any debates between the senator and Mr. Gantt. The Helms campaign managers, unlike most, have often chosen not to publicize their candidate's appearances.

The Helms approach is epitomized by the closing of several of his commercials, in which a photo of him is shown with the label "North Carolina Values" and a photo of Mr. Gantt is shown with the label "Liberal Values."

"North Carolina is basically a state where the majority hold conservative values," said Charles Black, a Republican consultant who is advising Mr. Helms. "If they understand the difference, they'll go with the conservative."

The challenge for Mr. Gantt is to steer the debate away from such emotional issues as the death penalty, which he opposes.

Mr. Gantt, who was Charlotte's first black mayor and who is often presented as a symbol of the New South, is trying to focus the campaign on such issues as education and the environment, but this is no small feat.

Few other campaigns can control a dialogue as well as the Helms organization, a battle-tested cadre of strategists who can create an unrelenting pressure.

"If you answered every charge, you'd barely have enough time or money to do anything else," said Mandy Grunwald, Mr. Gantt's political consultant.

Nevertheless, Mr. Gantt has withstood the onslaught well. "He's taken six weeks of very negative advertising on taxes, the death penalty and abortion," said Anita Dunn, a spokeswoman for the Democratic Senatorial Campaign Committee. "And the fact that the race is still deadlocked where it was has got to be of great concern to the Helms organization."

The Helms campaign has tried to depict Mr. Gantt, a supporter of abortion rights, as a man who would support third-trimester abortions as well as abortions for the purpose of sex selection. Mr. Gantt has labeled these charges "outright falsehood."

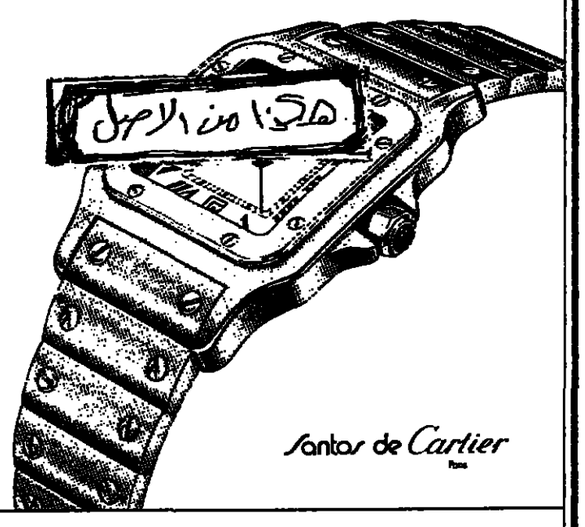
The Gantt campaign has tried to depict Mr. Helms, who would allow abortion only if a woman's life was threatened, as a man who would force victims of rape and incest to bear their attackers' babies.

There have also been allegations from some Democrats, including the state Democratic chairman, E. Lawrence Davis 3d, that the Helms campaign has included "a subtle color message."

Democrats cite the heavy use of both candidates' photographs in the Helms advertising, the use of such phrases as "extremely different" to describe Mr. Gantt, and the frequent references to other black leaders.

Mr. Wrenn said he resented the accusation that there was a racial component to their message. "Jesse Jackson's supporting Harvey Gantt," he said, "and it's not racist for us to point that out."

Cartier

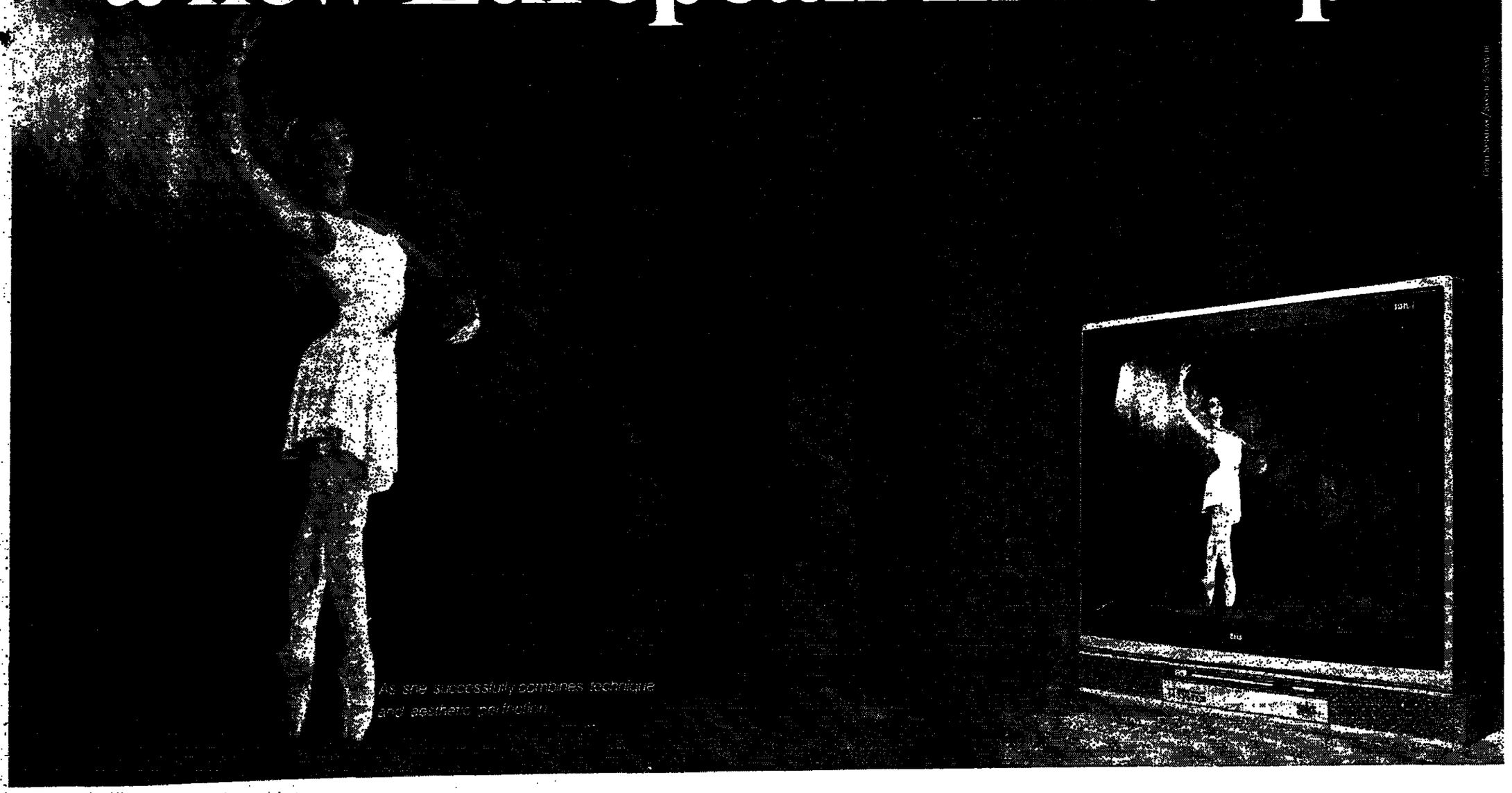


Santos de Cartier

Zürich, Paradeplatz
Zürich, Türler Boutique Storchengasse
Zürich, Hotel Neue Park Badenerstrasse 420
Zürich Airport Terminal A, B und Satellite
Bern, Marktgasse 3
New York
Tokyo
Service-Organisationen in fünf Kontinenten

TÜRLER
SCHMUCK & UHREN

a new European in Europe



As she successfully combines technique and aesthetic perfection.

BEKOTEKNİK of Turkey! After years of research, BEKOTEKNİK has combined technique in electronics with aesthetics.

TV sets employing this combined perfection are already in homes throughout Great Britain, Holland, West Germany, Switzerland and Greece.

With Turkey at your doorstep, why not get acquainted with BEKOTEKNİK? Save both time and shipping costs by dealing with 'The new European in Europe'

Bekoteknik
The now generation of electronics

BEKOTEKNİK - ISTANBUL/TURKEY Telex 30700 Bko tr - 23506 Teta tr Fax 90 1883 1338

Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

A Summit for Children

Summit meetings have come to mean a gathering of powers to discuss their military and political agendas. A wholly different but still vitally important summit meeting will be held this week when more than 70 heads of state come together at the United Nations in an effort to save the world's most neglected resource: children. The World Summit for Children aims to commit national leaders to meet the health, education and other needs of children in the next decade. And President George Bush can play a key role.

Every day about 40,000 children die from preventable diseases like measles, whooping cough, tetanus, pneumonia and diarrheal dehydration. Even if children survive these threats, they may later be exposed to hazardous working conditions arising from ineffective or nonexistent child labor laws. And an inadequate education may doom them to lifelong illiteracy.

With a little money and attention, many of these problems could be remedied. Sachets of oral rehydration salts cost about 10 cents each; vaccines to fully immunize a child cost about $1.50. Unicef, the United Nations Children's Fund, estimates that most of the world's children could be saved from death and malnutrition at a cost of $2.5 billion a year. And universal primary education could be achieved for an additional $5 billion each year.

It is up to the wealthier nations to lead the campaign. Mr. Bush could pledge an additional $300 million a year for the next decade to fight disease and hunger — about one-eighth of the total needed for that purpose. That is a large sum, given the oppressive federal budget deficit, but it is in line with America's historical share of global aid to developing countries.

President Bush could also show that he means business by attending to America's own unfinished agenda of children's issues, like reducing the infant mortality rate and expanding Head Start.

Dramatic political changes around the world now make it possible for children to have a "first call" on the attention and resources of world leaders. By ensuring that their smallest constituents enjoy healthier, happier lives, these leaders can help ensure a brighter world future.

— THE NEW YORK TIMES.

Arms for the Saudis

More arms for the Saudis? Of course. They are friends, they are on the front line and they are not only potential combatants but, unlike the United States, potential target and booty as well. It is not irrelevant that they pay cash. Prompt further American arms shipments would have the military utility of filling in the security gap illumined by the Gulf crisis. Their political utility would lie in demonstrating, to Saudis and Iraqis alike, American constancy. Americans, with their own forces now deeply committed to the Saudis' defense, can only be cheered to see them taking more of their defense upon themselves.

But what kind of arms for the Saudis, and when? The Bush administration's first response to Saudi pleas was a package of dimensions fit for the Guinness Book of Records — $21 billion. This was careless. It put together equipment sought right off and other equipment sought over a longer run. The package included arms useful in a context of the current conflict with Iraq and arms with a potential relevance to a later conflict with Israel. The administration should have seen the oil-and-water quality of this combination. It should not have put the burden on Israel's friends in Congress to make the point. When they did, the administration, fortunately, quickly folded.

The Israelis are understandably alarmed to think that the Arab governments that refuse to sit down and make peace with them are using the Gulf crisis to accumulate extra American arms. Their nightmare of losing their overall qualitative edge is made the more plausible by the new double possibility of Iraqi ascendancy and other-Arab strategic gain. Their response has been to try to limit what new support America offers Arabs to Gulf-centered purposes, and meanwhile to ask Washington for compensatory aid and arms. All this will no doubt be worked out in coming months, not without some bumps and bruises.

But if the Saudis are extravagant in asking for arms projects in the tens of billions, then the Israelis are myopic in relying exclusively on military means for their security. Some part of Israel's danger arises from the states in its neighborhood that reject the idea of Israel, but some part of it arises from the alienating effects of its own decision to hold on to the West Bank rather than to deal it back for peace as it promised in UN Resolution 242. This is hardly a moment for a fresh reach for Arab-Israeli accommodation. But the subject needs to be discussed in the same breath as a post-crisis arms balance in the Middle East.

— THE WASHINGTON POST.

Now Back to Principles

Two enormous miscalculations lie at the root of the Gulf crisis. The most glaring was Saddam Hussein's rash assumption that the world would do little or nothing if Iraq devoured Kuwait. But his dirty deed owed something to the world's limp response to Iraq's previous use of poison gas, its grim human rights record and its voracious appetite for mass-killing weaponry.

Rarely has a tyranny so amply advertised its malign intentions. Yet on the very eve of Iraq's conquest of Kuwait, U.S. State Department officials were pleading with Congress not to impose economic sanctions against Baghdad. Some in Congress are already making scapegoats out of these officials. But underlings were not solely to blame, nor was the Bush administration alone in its failed policies. Something went fundamentally askew in many capitals, and it is worth asking why.

The first and most understandable explanation is Western and Arab fear of Iran. When Iraq invaded Iran in 1980, Saddam Hussein seemed a lesser threat than fanatic Islamic revolutionaries. Iraq's aggression went uncondemned by the United Nations Security Council. And when Iranian troops thrust into Iraqi territory, much of the world tilted toward Baghdad.

Weapons flowed to Iraq from France and the Soviet bloc. In 1982 the State Department removed Iraq from its list of countries supporting terrorism. There was no hard evidence that it had changed its pro-terrorist policies, but Washington's action opened the way for $300 million in U.S.-guaranteed loans to purchase wheat and rice. In 1984 Washington resumed diplomatic relations with Baghdad, and began providing satellite intelligence to Saddam Hussein's generals.

The collaboration with Iraq survived the Iran-contra scandal. It persisted despite Iraq's 1987 attack on the Stark, killing 37 of the crew. And it fostered a protectiveness about Iraq's transgressions. When Saddam Hussein used chemical weapons against Iran and later against his own Kurdish minority, the State Department voiced its disapproval — but brought no complaint to the United Nations. Nor did any other country.

In August 1988, the Gulf War ended in a cease-fire. Yet the tilt to Iraq persisted. Baghdad had become the American farmer's best customer for rice, the eighth-largest buyer of wheat and second-biggest user of U.S. commodity credit guarantees. Burgeoning trade helps explain why the United States muted its protests when Saddam Hussein threatened to gas Israel, and even apologized for a Voice of America broadcast on the evils of police states.

Not all the blame falls on middle-level officials whose job is to cultivate better relations with difficult regimes. Nor is it seemly for Jeane Kirkpatrick to ascribe self-deception to a State Department weakness for Arab strongmen; the former UN envoy was herself a warm advocate of Argentina's strongmen prior to and during the Falklands War. Responsibility for fixing the tone of U.S. relations with Iraq belongs at the top, with the president and his secretary of state. Both erred in giving Saddam Hussein the benefit of the doubt, and in believing that American leverage might restrain this tiger.

They have made amends, but it remains a shortcoming in America's political culture that when blunders occur, nobody and everybody is responsible. By contrast, when Argentina invaded the Falklands, exposing serious miscalculations in British diplomacy, the foreign secretary, Lord Carrington, felt it a matter of honor to resign.

Different rules apply inside the beltway. But while no resignations are in order, the Bush administration can still atone for its blunders by heeding the central lesson. There is no more dangerous game for a democracy than to wink at avowed and cherished principles in carrying a tyrant's favor.

— THE NEW YORK TIMES.

Other Comment

Get Out the Hong Kong Vote

No part of Hong Kong's government is elected. If it is true that Hong Kong people have never found much fault with that, does it follow that they deserve no better? The soon-to-depart British could do much in the service of democracy, and Hong Kong, by making it hard for people to ignore their own rights and those of their children [when partial direct elections are introduced in 1991].

Registration should be compulsory, as it is in Singapore and many other countries. All Hong Kong people carry ID cards. If that device is good enough for immigration and tax authorities, the police and the banks, it ought to guarantee entry to a polling booth. Better yet, require people to carry out their responsibilities to their families by casting a vote, just as they are required to send their children to school. Australia and Belgium levy a small fine on anyone who cannot give a valid reason for failing to cast a ballot (which may of course be left blank).

In Hong Kong, the only franchise on offer is a restricted one. But to waste it now is to lose a bigger one tomorrow. Democracy, the British like to insist, means freedom to make mistakes. Leaving Hong Kong's people free to be "apathetic" would be a big mistake, and it would be a British one.

— Asiaweek (Hong Kong).

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, *Chairman 1958-1982*

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, *Publisher*

JOHN VINOCUR, *Executive Editor* • WALTER WELLS, *News Editor* • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • CARL GEWIRTZ, *Associate Editor* • ROBERT J. DONAHUE, *Editor of the Editorial Pages* • REGINALD DALE, *Economic and Financial Editor*

RENÉ BONDY, *Deputy Publisher* • RICHARD H. MORGAN, *Associate Publisher* • FRANÇOIS DESMAISONS, *Associate Director* • JUANITA I. CASPARI, *Advertising Sales Director* • ROBERT FARRÉ, *Circulation Director, Europe* • KOURDT HOWELL, *Director, Information Systems*

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx RS36928 Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx 416721 Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

© 1990, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

OPINION

Do War Advocates See the Pandora's Box?

By James Webb

WASHINGTON — George Bush has not only embarked on his own voyage into the Gulf, that Bermuda Triangle of presidencies. Unlike his two immediate predecessors, he has dragged more than 100,000 of America's troops with him. As he searches for a resolution to the crisis, the troops have been learning to cope with a sun that melts electrical wiring, sand so fine that few filters can keep it out of gearboxes, and an ennui that seeps through even the most careful monitoring of the press corps.

The debate over the American role in the Gulf crisis has focused on national rather than specific military goals. The fundamental questions, upon which all others inevitably rest, have not been addressed. Why did America send such a huge contingent of ground troops in the first place? Under what conditions is it going to use them or bring them home?

Answers are not forthcoming. Military officials intimate that the question would reveal tactical options.

Administration officials talk in vague terms. Defense Secretary Dick Cheney is telling Americans to prepare for a commitment that may take years; others have been quoted as saying that U.S. forces may be there for a decade. At the same time we are being reassured, amid loud calls to initiate a war with Iraq, that the U.S. military commitment is wholly defensive.

As one who opposed the Reagan administration's overt tilt toward Iraq, I have no desire to give consolation to Saddam Hussein now that he is getting the attention he deserves. But if experience since World War II tells us anything, it is that justifiable national goals are too frequently lost through unfocused and ineffective military policy. And the strongest likelihood is that the ground buildup in Saudi Arabia is the product not of conscious strategy but of an initial overreaction that compounds itself with the arrival of every C-5 transport.

The Kuwaiti dilemma is not new. This is the third time since 1961 that Iraq has asserted, militarily, its claim to Kuwaiti territory. So positioning U.S. aviation units into Saudi Arabia with ground forces to defend them was appropriate as a short-term guarantee of Saudi sovereignty. But the huge buildup of forces began after it became clear that Iraq had no military designs on Saudi Arabia. Coupled with escalating rhetoric, it has created an intractable siege, with the survival of George Bush as well as of Saddam Hussein hanging in the balance.

The United States, whose interests in the region are far less than Kuwait's, Saudi Arabia's, Israel's, Europe's and Japan's, is carrying the overwhelming burden. True, others are involved on a small scale — the Egyptians, who stand to benefit to the tune of at least $7 billion in forgiven debts, the Syrians, traditional enemies of Iraq, who are sending a few thousand soldiers, other Arab states whose royalty is threatened, European and other allies who are throwing in a ship or two here and a military unit there.

Americans are laboring hard to support the president, but a mood of cynicism is just beneath their veneer of respect.

The West appears to have traded greater economic help to the Soviets for Mikhail Gorbachev's rather non-committal statement of support.

And now America is out on the international hustings asking for financial contributions for its effort. Mr. Bush hastens to assure us that this does not make American soldiers mercenaries, but anyone with a relative or loved one in Saudi Arabia will quickly argue that this is not a fair trade.

And what is the impact, strategically, of the introduction of all these ground forces? In grand sum it can only be judged as negative.

Those who have called for massive, preemptive air strikes against Iraq must now contemplate the detriment of tens of thousands of American soldiers within range of Iraqi chemical weapons as well as possible terrorist attacks from Iraq and now Iran.

Those who worry about the possibility of crisis in other parts of the world must recognize that a large percentage of American maneuver forces — including as much as half of the Marine Corps — is tied down in a waiting game in the desert.

Those who believe that the West should act offensively should realize that an attack would galvanize the Arab world, invite chemical retaliation and expanded hostilities, produce great numbers of casualties, and encourage worldwide terrorism — in short, open up a Pandora's box.

This is not to say that U.S. soldiers and marines would not fight well. The Iraqi army is not a very good army. It is also war-weary. But it demonstrated against Iran the time-honored maxim that the armies of totalitarian states are capable of absorbing huge losses — recall the 3.7 million German soldiers who died in World War II and the million Communist soldiers who died in the Vietnam War.

The president should be aware that, while most Americans are laboring very hard to support him, a mood of cynicism is just beneath their veneer of respect. Many are claiming that the buildup is little more than a "Pentagon budget drill," designed to preclude cutbacks of an army searching for a mission, as permanent bases in NATO disappear.

Others wonder about the predominance of Texans in the administration and the dual benefit that higher oil prices will bring to the Southwest: a more robust economy and the concomitant salvation of many S&Ls.

Others, myself included, worry greatly about a military commitment that has taken on a momentum of its own — or perhaps a hidden strategy.

General Colin Powell is said to have advised the president that the United States should take this sort of military action or it would no longer be a superpower. This calls to mind the Suez crisis of 1956, after Gamal Abdel Nasser nationalized the Suez Canal.

The British were reeling from a budget affected by the military costs of maintaining the empire. The Suez Canal was vital for transporting oil. And Anthony Eden, the prime minister who had great antipathy toward Nasser for his anti-British rhetoric, wanted him "destroyed."

Britain went forward, largely to preserve its place at the table of the "Great Powers," drawing in the French and the Israelis. The attack sputtered in the desert. America, their banker, threatened to withhold support for the British pound if they did not cease the invasion. The Soviets moved into Hungary.

When the dust settled, Britain wasn't a great power.

Too much is at risk and too many questions remain for this buildup to continue without the administration clarifying its direction. And if offensive action is in the cards, it should be taken only after the president receives a declaration of war from Congress.

The writer was assistant secretary of defense and secretary of the navy in the Reagan administration. He contributed this comment to The New York Times.

The Middle East Cannot Afford Another War

By Hussein ibn Talal, King of Jordan

AMMAN — Is it too late to prevent another major war in the Middle East? Is the pace of events accelerating at such an uncontrollable rate that war is inevitable? Are the opposing parties so locked into their positions that a peaceful solution is no longer possible? It is the sad conclusion of many of those who live in the area, and who would be the innocent victims of such a conflagration, that the answer is probably yes. And it is part of their despair that they are helpless to do anything about it.

One might ask how such a tragic turn of events could have occurred in the space of less than two months. Would there be any victors, and what would be the spoils? Are we embarked on a noble mission to establish a new world order of peace and justice and the abolition of aggression? Or are we witnessing a replay of the quixotic events of August 1914, when the world stumbled into a war it did not want but could not stop?

I am stubborn enough to believe there is still a chance to prevent another war. I refuse to concede that the pace of events cannot be brought under control. And I cannot conceive that disputants would commit themselves to a war that is so obviously contrary to their own vital interests.

As for victors and spoils, Middle East wars have produced neither, only graveyards for illusions and the seeds for future wars.

Let us hope that a new world order can indeed be established, but its foundation must be based on conciliation, not on conflagration, and on distributive, not selective justice and morality.

I fear that the current course of events in the Middle East could be a replay of August 1914. To repeat the scenario would be an inexcusable tragedy. If the same effort by the world community in the present marshaling of military forces, imposition of sanctions and commitment of colossal sums of money were to be applied to a political solution, I am convinced it could be achieved.

It is very disturbing that some believe military action is the only solution to the current crisis. This is dangerously shortsighted. The effects of a war against Iraq would not be limited to the confines of that country. They would reverberate in every capital throughout the Middle East. They would create the very instability that such action was designed to prevent. For these reasons a political solution to the present crisis is imperative.

Since the Iraqi invasion of Kuwait did not occur in a vacuum, it cannot be solved in a vacuum. Any solution must address, if not simultaneously at least sequentially, the major underlying causes — namely, the dispute between Iraq and Kuwait, the imbalance of wealth in the area, the unresolved confrontation between Israel, Palestine and the Arab States, and the perilous escalation and proliferation of weapons of mass destruction.

All of these problems are driven by political differences. To attempt to solve them militarily treats only the symptoms, not the causes, and can only exacerbate the problems, not resolve them.

Because these problems are interrelated, piecemeal solutions are not the answer, as efforts over several years have demonstrated.

This is not as tall an order as it sounds, since proposed solutions to some of these problems already exist in the files of those governments involved. The area is exhausted from the conflicts and tensions it has endured for decades. Most are appalled by the wasteful diversion of so much wealth and energy to the misfortunes of war. They are eager to join the rest of the world in its new march toward freedom, justice and prosperity. Despite the threat of war, the conditions for peace do exist in the Middle East. It is a moment of opportunity, which we should all grasp.

Whatever political solution to the immediate crisis might be devised, I believe it imperative that it include a substantial Arab input. Irrespective of the justice of any solution, there must not be room to misrepresent it as a resolution imposed from outside the area. This would only discredit its legitimacy.

Finally, there is one thing of which I am certain. The Middle East cannot afford another war. The world should not impose one on it. I am also certain that it is not beyond the ingenuity of the leaders of this world to devise a peaceful solution to this crisis. May God help us all if they cannot.

The Washington Post.

It's Time for French-British Security Partnership

By Dominique Moïsi and Lawrence Freedman

PARIS — The Gulf crisis has thus far demonstrated by default the need for a common European approach to security questions. The relevant institutions have served at most as coordinators of separate national responses rather than as a motor.

Britain, France and Germany, the three major European powers, have all acted predictably. Prime Minister Margaret Thatcher was in the United States at the time of the Iraqi aggression and she gladly jumped on the opportunity to reforge the old special relationship. France at first seemed more concerned to stress that its policy was quite distinct from that of the United States, rather than taking a steadfast stand against Kuwait's invasion. Germany seemed to see the whole affair as an irritating distraction from its unification process.

As a formidable international consensus developed, European states seemed above all anxious to find a form of military participation that would minimize direct risks. Inevitably this led to a surfeit of naval forces, with some air support but no ground forces. Now at last Britain and France have accepted that they should share, with America, the full risks of the campaign against Saddam Hussein.

Britain was the first to move, responding both to American complaints that the United States was expected to carry too much of the military burden and to a growing national awareness that it was necessary to prepare for the next step, beyond the economic blockade. As a result, armored forces are being shipped to Saudi Arabia.

France was stung into action by the violation of its diplomatic residence in Kuwait — which may turn out to be one of the major mistakes of the Iraqi occupation forces. It retaliated against Iraqi diplomats in France, moved toward air blockade and sent its own forces to the Saudi front line.

It was only to be expected that in the end Britain and France would be in the forefront of the European response to the Gulf crisis. These are the only two European powers which have the tradition and experience needed for this sort of operation, which have maintained the military capabilities to operate outside the European area. With a long history of international responsibility confirmed by permanent membership in the United Nations Security council, they have more naturally a global perspective when it comes to security challenges.

Both are nuclear powers and remain tenaciously convinced of the need for a continued nuclear deterrent in maintaining a stable European order; to this effect they have been exploring collaboration on a joint air-to-surface nuclear missile. Above all, within Europe they both recognize a need to balance growing German power.

The two countries have much in common, but cooperation between them leaves much to be desired. They disagree profoundly over the future development of the European Community. Britain remains preoccupied with its political and economic sovereignty, while the French stress their independence in security issues, pursuing the Gaullist legacy of national freedom of maneuver at all costs. Both suffer from the touchy pride of countries that were once great powers and now find their capacity for decisive independent action increasingly constrained. There is a long history of rivalry; at times it can seem as if the two peoples have yet to get over the Napoleonic Wars or Fashoda.

Nor was the Gulf a natural area for cooperation. Kuwait was, after all, an essentially British creation. At the time of the last Iraqi threat to Kuwait in 1961, London was able to deal with the challenge by itself through an expeditious dispatch of troops. By contrast, France's links were with Iraq. These had been cultivated during the past 15 ears and been reinforced by arms sales.

One should not underestimate the intensity of competition for military sales to the Gulf region, especially Saudi Arabia. The partly ambiguous initial French reaction to the crisis stemmed from a desire not to jeopardize the relationship with Iraq.

Now that a common response has been produced, helped by Saddam Hussein's intransigence and tactical blunder, the opportunity should be seized to develop a far deeper working relationship between France and Britain along the lines of the French-German relationship. There is no reason why old allies should not be as close as former enemies, all the more so since such a French-British relationship would carry greater weight vis-à-vis the United States.

The Gulf crisis is a reminder that the challenges to European security are not confined to the European region itself. Britain and France may thus be the natural agents to lead a European response to extra-Continental crises. For this to happen, three conditions need to be fulfilled.

First, Britain and France must recognize that they cannot act all by themselves, but need to strengthen the European security institutions.

Second, they must show to the rest of Europe that they work in concert and not just in parallel.

Third, their action should strengthen the Western and international stance. They must acknowledge the unique role played by the United States in the Gulf, if only because of the scale of its effort.

As British and French armies prepare for possible war in the Gulf, every effort should be made to coordinate this deployment in all aspects and at all levels, including in the command structures, so as to maximize their response to the challenge of the moment and, much more importantly, to lay the groundwork for a common response to future challenges.

A security role is being sought for the European Community. The natural starting point for European cooperation would be a joint effort by the two most relevant nations.

Mr. Moïsi is associate director of the Institut Français des Relations Internationales and editor of its journal, Politique Etrangère. Mr. Freedman is professor of war studies at King's College, London. They contributed this comment to the International Herald Tribune.

The Danger of a Diplomatic Solution

WASHINGTON — If Saddam Hussein were to withdraw from Kuwait tomorrow, the world would rejoice. But an Iraqi withdrawal not accompanied by the destruction of his war machine would leave the Western world in grave danger. The rejoicing would in time turn to despair, the triumph to defeat. Indeed, the Bush administration's admitted best-case scenario — the restoration of the status quo ante — would be devastating for stability and security in the Gulf.

Iraq's massive military machine would remain intact. Having demonstrated the capability to overwhelm and plunder Kuwait and hold the United States and its allies at bay, the Iraqi army would go home to regroup for its next adventure. Having struck a dagger in the heart of Kuwait, it would now strike fear in the heart of all within its reach.

With what means could a restored Kuwaiti monarchy resist Saddam Hussein's demands? With American military forces home celebrating the successful completion of their mission, Kuwaitis would know that they were defenseless in the face of Saddam Hussein's war machine. The Saudis and the Gulf emirates would have to live with the knowledge that they could be the next victims should they resist Iraq's demands.

If Iraqi military power survives the current crisis, Iraq will dominate the Gulf. Saddam Hussein will press his thumb on the Western world's jugular whenever the spirit moves him. Every day that the West waits for the sanctions to take effect is a day in which it is exposed to the risk of a sudden political or diplomatic shift that enables Saddam Hussein's military to escape the noose.

If the success of the present policy would actually worsen the West's situation, what should it do? President Bush should quickly ready an attack on Iraq's military forces. This would involve a careful and deliberate use of American and allied air power — not a pointless and inhumane attack on cities of civilians. It would concentrate on Iraq's air forces, missile sites, refined petroleum resources (as distinct from the oil fields) and chemical and nuclear installations.

The peace sword may succeed; the peace shield is bound to fail.

— Richard Perle, a former assistant secretary of defense in the Reagan administration, commenting in The New York Times.

Depression Follows Joy In the East

By Flora Lewis

STRASBOURG, France — Poland's trenchant writer Adam Michnik now says, "We have a strange feeling that we are losing." It is an important message from Eastern Europe, somewhat overlooked in the preoccupation with the Gulf crisis. Mr. Michnik was talking about the post-Communist blues spreading across the area that so triumphantly emerged from totalitarianism last year.

Czechoslovakia's president, Vaclav Havel, says: "We're only beginning to assess the damage ... This revolution hasn't failed, but the essentials remain to be achieved."

Romanian intellectuals feel that their revolution was stolen. The dissident writer Doina Cornea said the dreaded Securitate police "has been rebaptized and is back in business."

Bulgaria scarcely got beyond a challenge to Communist power.

Poland, which led the way to political upheaval in the spring of 1989, has reached what Mr. Michnik calls "the second phase." Communist rule has been demolished, but that does not mean that democracy is full-grown.

"The second phase," he said, "has become a struggle to gain power and wreak revenge ... If the logic of compromise between the main political actors wins the day, democratic order will prevail. If a logic of retaliation gains the upper hand, we will again face the hell of a dictatorship."

Mr. Michnik was speaking at a large conference here organized by the Council of Europe. The 23-nation Council groups all the European democracies. The East European countries are preparing to join, looking for support but increasingly aware of the terrible handicaps of their heritage.

They face, in the apt words of Professor Lawrence Freedman of King's College, London, what may be "the tunnel at the end of the light." Economic disaster is an important element. But the real menace is the political and social conclusions that their impatient people may be provoked to draw from the travail that is following victory.

Each country has its distinct, if related, problems. Only Poland had a well-organized opposition, born of the decade of Solidarity's existence. Its leaders always knew they formed a diverse coalition and that transformation to regular political parties would be difficult, but they did not expect it to break down before they built a solid base. Now it is hard to exaggerate the vehemence of the Polish political strain, focused on Lech Walesa.

He was the spark that lit the explosion of Solidarity in 1980. His stubby form and bushy mustache became the symbol of the fight for freedom. He consolidated the alliance of workers and intellectuals that finally brought success, and he named the new government, choosing to stand aside.

But Mr. Walesa found he didn't like the sidelines. He wants to return as president, an office given more power in the constitutional compromise that he negotiated with the Communists. And he is running on an appeal that combines populist slogans against the austere economic reforms with the charge that the government is too slow in eliminating Communists.

Mr. Michnik, who runs the leading newspaper (deprived of its Solidarity logo now on Mr. Walesa's orders), is brutally candid. In response to Mr. Walesa's call for "acceleration" he asks, "To go where?" He says these demands come from people "who use anti-Communist rhetoric, but with a Bolshevik mentality," by which he means demagogy, impossible promises, appeal to intolerant emotions.

He defends Mr. Walesa against the charge of anti-Semitism. But nationalism, anti-Semitism, a call for return to roots, which is a form of xenophobia opposed to cultural and political opening, are embodied in the "acceleration" campaign. They could wreck the economic recovery program.

Poland has drawn the wages of disorder. The shadow of Jozef Pilsudski looms. A hero of the independence wars, he took power in a coup in 1926 and established an authoritarian regime, nationalistic, anti-Semitic, eventually disastrous.

With their gift of tragic wit, Poles point out that it is not hard to turn an aquarium into fish soup. But how do you reverse it and turn Communism into a free market democracy? That task requires great lucidity, new habit of tolerance. It will not be enough for the West to provide some economic help, lectures in government, techniques of business management. There will need to be close attention to the transition, constant political encouragement to the democrats, so that the aquarium-creators have a chance to work their miracle.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: News in Brief

MADRID — Only 55 cases of cholera and 45 deaths were registered yesterday [Sept. 22] in the provinces of Albacete, Alicante, Castellon, Cuenca, Tarragona, Toledo and Valencia.

CAIRO — The Dervishes are reported to be coming north from Dongola. It is feared that they may attempt to raid some of the frontier villages.

PARIS — Mme. Paul Bert has informed the *Eclair* that she has in her possession the heart of Gambetta, left in her custody by her late husband, with the charge to place it in the monument to be erected. It is her intention to hold on to the trust until the monument is ready to receive it.

1915: Fugitive Beef

PARIS — A score of Canadian steers, destined to furnish beef for the army, have escaped from their pen at Versailles and disappeared in a nearby wood. Soldiers were at once sent out to make the fugitives prisoners, but in spite of a brilliant offensive movement, the animals, according to last reports, were as securely hidden as the German navy.

1940: Dakar Shelled

VICHY — A British squadron shelled Dakar, chief port of Senegal and capital of French West Africa, today [Sept. 23] and fighting still was in progress, according to an announcement made by the government of Marshal Petain. The announcement said Gen. Charles de Gaulle, head of the "Free French" government set up at London last summer to continue the war against Germany and Italy, arrived off Dakar today on one of several British warships. De Gaulle, according to the announcement, sent an ultimatum to the local French authorities demanding that they surrender the city. The ultimatum was rejected, it was said, and the British opened fire.

— From the New York edition of the New York Herald Tribune.

هكذا من الأصل

Russia Will Resist Emergency Powers For Soviet Leader

Compiled by Our Staff From Dispatches

MOSCOW — Boris N. Yeltsin and other leaders in the Russian Republic have assailed President Mikhail S. Gorbachev's plea for emergency powers as "impermissible" and said they will take all steps necessary to protect their republic's sovereignty.

In a bold action that makes an institutional collision inevitable, Mr. Yeltsin and the Russian legislature's Presidium served notice during the weekend that they intend to embark on a radical overhaul of Russia's economy, whatever the national legislature and Mr. Gorbachev decide for the country as a whole.

Under the urging of Mr. Yeltsin, Russia's populist president, the republic's legislature has endorsed a 500-day program that would sell off or lease most government-owned economic assets and rapidly replace state planning with free market forces.

National lawmakers charged with choosing an economic plan for all 15 Soviet republics have hesitated. Painting a dire picture of the country's "emergency," Mr. Gorbachev formally asked them Friday to grant him the power to issue *decrees, in violation of existing law* if necessary, on a broad range of topics ranging from economic management to the defense of public order.

Mr. Gorbachev explicitly told the Supreme Soviet, the national legislature, that he might have to institute direct "presidential rule" in certain places, shutting down if necessary local institutions, including elected bodies of government.

The top executive body in Russia's government said that if the Supreme Soviet grants Mr. Gorbachev's wish, it will not submit.

"The granting of the requested powers to the president of the U.S.S.R. is impermissible," the Presidium of the Russian Republic's Supreme Soviet declared.

In the event Mr. Gorbachev is given such powers, the Russian government "will take all necessary measures to defend the sovereignty and the constitutional system" of the Russian Republic," it said.

The statement, signed "B.N. Yeltsin," imperiled the political understanding between Mr. Yeltsin and the Soviet president.

In August, Mr. Gorbachev and Mr. Yeltsin joined forces to create a think tank of economists that ultimately developed the 500-day plan. Mr. Yeltsin, however, has stressed the right of the country's biggest republic to choose its own road to economic recovery and has said he would carry out the plan whatever the Supreme Soviet decides.

Were the national legislature, which reconvenes Monday, to opt for the more conservative program advocated by Prime Minister Nikolai I. Ryzhkov, or try to merge the programs, it is doubtful that any country-wide plan could function if it came into real conflict with the approach pursued by Russia, which has nearly three-quarters of the Soviet Union's territory, half its population, and a high concentration of its natural resources.

The Russian leadership's statement said that "very important laws" to stabilize the republic's economy and begin the move toward a free market have already been written and will be adopted within days.

Leonid I. Abalkin, the most senior government economist, said in an interview published Sunday that the Soviet Union faces disaster and disintegration if it adopts a radical program. Mr. Abalkin, who is deputy prime minister, told the newspaper Sovetskaya Rossiya that adoption of the radical approach favored by President Gorbachev would fail to revive the economy and weaken the will to introduce a market-based system.

Vitaly Armand/Agence France-Presse

An unemployed man, in a makeshift shelter near Red Square, drawing attention to his situation.

Hungarian Tells of Meeting With Kohl on Opening Border

By Leigh Bruce
International Herald Tribune

LONDON — Hungary's former prime minister, Miklos Nemeth, says he met secretly with Chancellor Helmut Kohl in West Germany on Aug. 24 last year to inform him of Hungary's decision to let thousands of East German refugees flee to the West.

That decision led to the exodus of East Germans to the West, that began at midnight on Sept. 11, 1989.

According to Mr. Nemeth, his talks with Mr. Kohl lasted two and a half hours and led to an intensive round of secret diplomacy between the two countries. Special envoys met almost daily in Vienna to prepare for the border opening.

"I shall never forget what Herr Kohl's reaction was," Mr. Nemeth said. "Visibly taken with emotion, he uttered, 'The German people will never forget what you have done by making this decision.'"

Mr. Nemeth is considered one of the key figures in the events that led to the dismantling of communism in both his nation and Eastern Europe in general, principally because of his decision to open the border.

Mr. Nemeth was elected to his nation's parliament for the first time in November 1988. His tenure at the head of government lasted only a year and a half.

Though he asserted that he was "scared" for his future on several occasions when he received death threats and reports of East German intelligence operations in his country, Mr. Nemeth says he was never tempted to turn back.

"I knew the attacks from Prague and East Berlin would get pretty harsh, but I was confident the attacks were meaningless," he said. He pointed out that President Mikhail S. Gorbachev had assured him in March that Moscow would not interfere in the nation's internal affairs and believed his East European opponents "would not move alone."

Mr. Nemeth was speaking at the International Business Outlook Conference organized by Oxford Analytica and the International Herald Tribune.

In his address to an audience of business and academic figures, Mr. Nemeth also made an plea for the West not to forget Eastern Europe as it grapples with the Gulf crisis.

Warning of the dangers of allowing the current power vacuum in East Europe to remain unfilled, he maintained that it was the "duty of Western Europe to extend help in all its forms to those of us in the East."

Foreign Minister Hans-Dietrich Genscher of West Germany and his former Hungarian counterpart, Gyula Horn, also participated in the secret meeting in August 1989, he said. The two Hungarian ministers flew to a U.S. military base near Cologne and from there were taken to Gymnich Castle by a West German military helicopter.

Mr. Nemeth said that as he descended the airplane stairs, the U.S. base commander "snapped to attention and exclaimed, 'Welcome, Mr. Prime Minister.' This was my first indication that things had changed fundamentally."

He said that by the time he asked his ambassador to seek the meeting with Mr. Kohl on Aug. 17 — "But I did not reveal the topic until we were face to face" — the Hungarian decision to open the border had already been madein half an hour by the inner cabinet of six senior ministers, he said.

As he described the process, the first step was taken soon after his talks in March 1989 with Mr. Gorbachev in Moscow. "We had begun to face real troubles from the beginning of 1989, when Hungarian-born refugees began to come in from Romania," he said. In the first few months of the year, more than 20,000 ethnic Hungarians had arrived.

In May, the decision was made to allow free travel for Hungarians to the West. By mid-August, more than 200,000 East Germans were camped out in Hungary hoping to get exit permits, despite agreements with East Germany that appeared to bar such a decision.

A fight had already broken out within the Communist Party and the government over how to react *to the inflow of refugees, the former prime minister said.* According to Mr. Nemeth's account, a powerful faction led by his predecessor, Karoly Grosz, wanted to use force to repatriate the refugees.

"I reshuffled my cabinet in May to get rid of the people who opposed our decision to let the people go," said Mr. Nemeth, adding that he was under direct and indirect pressure from both East Germany and Czechoslovakia to crack down.

Exactly a week before the opening, on Sept. 4, 1989, the East German leader Erich Honecker "wrote from his hospital bed insisting I *withdraw my decision, which he* had learned," Mr. Nemeth said.

In his speech to the conference delegates, delivered at Blenheim Castle, Mr. Nemeth sketched out a vision of a liberal, democratic Eastern Europe, based on the free market and fully integrated in the European Community, and a new security structure. He promised "substantial rewards" to those who could help provide "innovative leadership and money — lots of it."

But he also warned that, facing huge restructuring and some $120 billion in debt, Eastern Europe could easily revert "to either *extreme left-wing* or extreme right politics" and become a "nightmare" for all of Europe.

A Special Airlift Will Carry Soviet Christians to U.S.

New York Times Service

WASHINGTON — The State Department and the Association of Evangelicals, through its refugee-assistance arm, World Relief, have begun a special airlift to bring nearly 6,000 Soviet Christians to the United States.

The evangelical Christians had been stranded in the Soviet Union because they were taken by surprise by a Bush administration decision last year to tighten screening procedures for Soviet refugees.

The first 300 Christian refugees to join the airlift arrived in Chicago aboard a chartered jet Thursday, and another jet is expected to leave Moscow for the United States next Tuesday.

Nearly 9,000 evangelical Christians traveled to the United States last year.

France and Germany: Engines on Diverging Tracks

By William Drozdiak
Washington Post Service

PARIS — Behind the mutual flattery and toasts of eternal friendship that suffused talks in Munich between their two leaders, France and Germany are confronting a difficult phase in a relationship that has been the driving force of European unity for decades.

Chancellor Helmut Kohl of West Germany and President François Mitterrand of France said in a joint declaration last week that "our two countries will continue to be the motor of European construction."

But in interviews in Paris and Bonn, officials of both governments have revealed fresh anxiety about diverging interests.

The differences are appearing amid new political and economic forces unleashed by the collapse of East European communism, a vanishing Soviet military threat and a crisis in the Gulf that has doubled oil prices and raised the specter of global recession.

As the two Germanys prepare to unite and *the center of gravity for their 80 million* inhabitants shifts toward Central Europe, France fears being shoved to the Mediterranean periphery and losing its role as a balancing force between East and West.

French officials say they are troubled that, despite the soon-to-be-united Germany's dense web of commercial interests entwining it with Western partners, German preoccupation *with melding two states into one and*

NEWS ANALYSIS

nurturing a new friendship with the Soviet Union may distract it from moving boldly toward European economic and monetary union.

Foreign Minister Hans-Dietrich Genscher's advocates a rapid timetable for monetary union, but German financial leaders are apprehensive about risking the stability of the Deutsche mark at a time of ballooning unification costs.

The French Foreign Ministry is seeking feverishly to prepare the first treaty of friendship with the Soviet Union by a Western nation, *to be signed when President Mikhail S. Gorbachev visits France in early October.*

But the pact, especially in the area of economic and technological aid, seems destined to pale in comparison with accords to be signed next summer between Germany and the Soviet Union that will establish a new epoch of political, military and economic *cooperation between the two nations.*

In Bonn, officials say Germany's sense of dynamism and excitement about a new era contrasts with the drift and lassitude they see afflicting France's Socialist government in the 10th year of Mr. Mitterrand's presidency.

They complain that the French have failed to respond positively to their initiatives for a joint policy toward Eastern Europe and enhanced powers for the European Parliament. They atribute such inaction to French recalcitrance about ceding sovereignty and the lack of any blueprint about how to achieve Mr. Mitterrand's vision of a European confederation.

"We know it would be a mistake for us to insist on the dominant role in building a new European order because it would frighten our neighbors," a policymaker said in Bonn. "So this should be a great opportunity for France, because a united Germany cannot afford to say no to any initiatives for greater European integration. But when we propose ideas with any content, the French are reluctant to go along."

Mr. Kohl's advisers say the absence of any *personal electoral considerations in Mr.* Mitterrand's final presidential term should encourage him to make a bold leap toward European union.

For their part, French officials at the Foreign and Defense ministries contest the view of unalloyed German allegiance to the cause of European unity.

Moreover, it will be necessary to see how new legislatures in Central Europe as well as the West respond to calls for supranational institutions.

French diplomats stressed that it was unclear whether even an ardent Europeanist like Mr. Kohl would persuade German voters who have dreamed of unification and the departure of occupation forces for more than four decades to cast aside their newfound sovereignty and accept that their political destiny will be decided in Brussels.

New Bonn Envoy to Austria Called Hitler Era 'Glorious'

Washington Post Service

HAMBURG — United Germany's first ambassador to Austria will be Philipp Jenninger, the former president of the West German parliament who was forced from office in 1988 for describing Hitler as "chosen by Providence."

The Bonn Foreign Ministry confirmed that Mr. Jenninger, 58, would go to Vienna in November to present his credentials to President Kurt Waldheim, who is shunned by most countries because he served in a Nazi Army unit that committed war crimes.

It will be Mr. Jenninger's first public post since he resigned under pressure after harsh criticism of his speech on the 50th anniversary of *Kristallnacht* (Night of Broken Glass) in which he called Hitler's leadership a period of "glorious times."

GERMANY: *No Joy in the West*

(Continued from page 1)

here. You have to build up your country and not rely on the West so much.'"

Mrs. Lutz would probably acknowledge, as most people do at some point in a conversation, that the people "over there" are relatively poor not because they were less industrious or worthy than Westerners, but because of communism.

Yet the sight of Easterners in their trademark stone-washed jeans hauling washing machines and refrigerators while West Germany pays out billions to keep their economy afloat seems to foster indignation among people who have achieved an exemplary a level of security and prosperity.

Some say that at the core of West Germans' attitude is a basic satisfaction with their life and a resistance to changing it.

For West Germans, reunification seems more a duty than a joy, and that duty is to assimilate East Germany as quickly as possible into the Federal Republic with as little change as possible in the prosperity and democracy for which it stands.

"There are a lot of vested interests in making sure that what results from this union is, all together, still the Federal Republic," said Hans-Magnus Enzensberger, a West German author, critic and editor who lives in Munich. "A lot of people want to retain this — not only the material aspects, but also the feeling that, for the first time, our country has gone West."

It is this reluctance to change, Mr. Enzensberger said, that explains why much of the public enthusiasm for unity, whether celebrations or demonstrations, has been in East Germany, not in West Germany.

"I haven't seen a single rally in this half where flags were waved," he said, "no public meeting that can be described as patriotic, jingoistic, as happened in East Germany."

A recent poll in the news magazine Der Spiegel found that 29 percent of West Germans were either "rather opposed" or "very opposed" to unification.

The same poll showed that 67 percent of West Germans accepted that unity would require sacrifices, but only 38 percent said they were willing to make them.

But early predictions of a second "economic miracle" have given way to pessimistic expectations as the disintegration of the communist economy becomes more apparent. As many as four million East Germans may be unemployed by year's end, and experts now say it will take 10 to 15 years for them to reach Western living standards.

Most West Germans have also accepted that their taxes will rise to pay for reunification, though Bonn denies that there will be an increase.

Although the booming West German economy should prove up to the task of restoring the East, Germans are known as a people *who place great premium on stability* and security.

"There's going to be a lot of class conflict," Mr. Enzensberger said. "Poor relations and rich relations are never on the best of terms, and there's a lot of resentment boiling up here. There's no real enthusiasm now, as there was with the coming down of the wall."

Wolfgang Scholl might dispute that. He owns the Bad Harzburg Volkswagen dealership, and the opening of the border has doubled his business.

"We used to be on the edge of the world, and now we're at the center of Germany," he said. "We've had to hire four more people, and it doesn't look as if it's ending. Our customers are now exclusively East Germans, and if they're not here to buy a car, they come to fix some clunker someone else sold them there."

The boom has also embraced large supermarkets and stores selling electronics and household appliances.

But beyond commercial ties, personal contacts have been limited.

Elke Rohrbeck, a clerk at the Town Hall, rarely heads east. "I've only met one or two people from over there," she said. "A lot of zonies come over here, and we're slowly getting used to them. It takes time to get used to their Saxon dialect. It's like a foreign country there, sort of like Bavaria."

HYATT HOTELS & RESORTS
ASIA PACIFIC

RESORTS

Australia
Hyatt Regency Sanctuary Cove (Gold Coast)
Hyatt Regency Coolum (Sunshine Coast)

Fiji Islands
Hyatt Regency Fiji

French Polynesia
Hyatt Regency Tahiti

Indonesia
Bali Hyatt
Grand Hyatt Bali (opening early '91)

Korea
Hyatt Regency Cheju

Macau
Hyatt Regency Macau

Malaysia
Hyatt Kuantan

Mariana Islands
Hyatt Regency Saipan

New Zealand
Hyatt Kingsgate Rotorua

HOTELS

Australia
Hyatt Regency Adelaide
The Hyatt Hotel Canberra
Hyatt on Collins Melbourne
Hyatt Regency Perth
Hyatt Kingsgate Sydney
Park Hyatt Sydney

People's Republic of China
Hyatt Tianjin
Hyatt Regency Xian

Hong Kong
Hyatt Regency Hong Kong
Grand Hyatt Hong Kong

India
Hyatt Regency Delhi

Indonesia
Hyatt Aryaduta Jakarta
Hyatt Regency Surabaya
Grand Hyatt Jakarta (opening early '91)

Japan
Century Hyatt Tokyo

Korea
Hyatt Regency Pusan
Hyatt Regency Seoul

Malaysia
Hyatt Kinabalu
Hyatt Saujana Hotel & Country Club (K.L.)

New Zealand
Hyatt Kingsgate Auckland

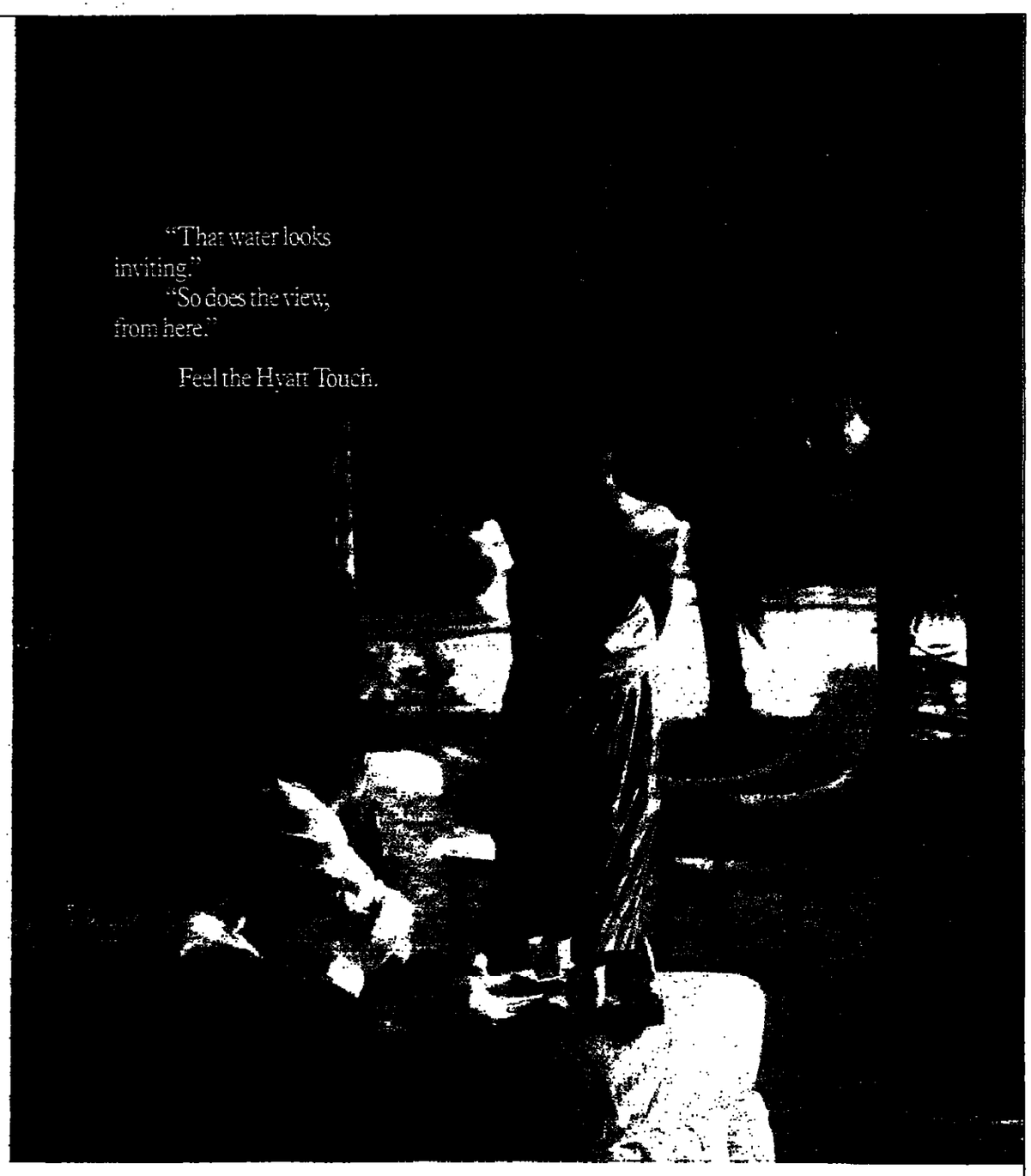
Philippines
Hyatt Regency Manila

Singapore
Hyatt Regency Singapore

Taiwan
Grand Hyatt Taipei

Thailand
Grand Hyatt Erawan Bangkok (opening mid '91)

"That water looks inviting."
"So does the view, from here."
Feel the Hyatt Touch.



Asia Pacific

HYATT RESORTS

For reservations and more information about Hyatt Hotels and Resorts worldwide, call your travel planner or your nearest Hyatt.
Hyatt Hotels Worldwide encompasses hotels managed or operated by two separate companies — Hyatt Hotels Corporation and Hyatt International Corporation.

Final 'Freedom Flight' Takes Evacuees to Britain and U.S.

Compiled by Our Staff From Dispatches

LONDON — A chartered jet left Gatwick Airport for the United States on Sunday with 112 evacuees from Kuwait and Iraq. It has been described as the last of the chartered "freedom flights."

The U.S. Embassy announced that the plane, chartered by the U.S. government, was headed for the Raleigh-Durham airport in North Carolina with 55 U.S. citizens, 2 Canadians and 55 evacuees of other nationalities.

They were among approximately 150 evacuees from Kuwait and Iraq who arrived at Gatwick from Baghdad on Saturday night. The rest remained in Britain.

A State Department official said that about 1,700 American citizens, mostly women and children, and foreign relatives, have been airlifted out of Baghdad on U.S.-chartered flights since the Iraqi leader, Saddam Hussein, announced on Aug. 28 that foreign women and children could leave.

The flight Saturday was the last scheduled by the United States "pending a new surge of Americans who want to leave or who will be allowed to" by Iraq, said Robert Hilton, an official of the State Department's Gulf task force in Washington.

About 2,500 Americans are believed to have fled the two Gulf countries by various means since the Iraqi invasion Aug. 2.

There are still thought to be more than 1,000 Americans, virtually all men, either in hiding or in detention in both countries. Some of them have been taken to Iraqi military or industrial installations as a deterrent to any U.S. air attack.

The evacuation of foreigners from Kuwait and Iraq will take on another dimension Monday as India tries to evacuate thousands of its nationals aboard 3 ships and a fleet of 10 planes.

An Indian Embassy spokesman in Baghdad said Sunday that his government had arranged the ships and the aircraft to evacuate more than 100,000 Indians in Kuwait and about 6,500 in Iraq.

More than 58,000 Indians have already returned home.

The ship Sultan can carry 1,600 people, and the Akbar can carry 700. They are on their way to Umm Qasr, near the main Iraqi port of Basra at the head of the Gulf, he said.

A third ship, Vishwa Siddi, carrying more than 10,000 tons of food and medicine for foreigners caught up in the crisis, is also due at Umm Qasr soon, the spokesman said.

About 3,000 Indians a day are expected to be flown home in the chartered planes, the spokesman continued. The embassy has also hired 10 buses to move Indians from Kuwait to Jordan via Iraq.

(AP, WP, Reuters)

French Legionnaires in Toulon preparing to embark for the Gulf.

DE KLERK: *South African Vows to Press 'Great Journey' for Change*

(Continued from page 1)

was formally welcomed by Secretary of State James A. Baker 3d.

"It is there where the reflections of the great monuments to Washington and Lincoln come together," he said. "And it was there that many thousands of Americans heard the Reverend Martin Luther King describe his dream for an America of justice and harmony through nonviolence.

"The words and deeds of Presidents Washington, Lincoln and Dr. King still ring out to us all," Mr. de Klerk said.

Mr. de Klerk's reference to Mr. King and his 1963 speech, one of the most inspiring of the black civil rights movement, was seen as offensive by some American black leaders.

Randall Robinson, executive director of the African-American lobby TransAfrica, argued that Mr. King "died in a lifelong effort to perfect American democracy," while "South African blacks are fighting to establish the very essentials of a democratic system against a white minority, including de Klerk, that has insisted on retention of its privileges."

Mr. de Klerk met with his aides much of the day and dined Sunday evening with Vice President Dan Quayle. Monday morning, he will meet with Mr. Bush. After a working lunch at the White House, the South African president will go to the State Department for talks with Mr. Baker. On Tuesday, he will deliver an address at the National Press Club and meet with congressional leaders.

Mr. de Klerk is expected to receive some mixed messages from both the White House and Congress.

Administration officials say he will hear praise for his decision to release political prisoners in return for the ANC's suspension of its armed struggle, and for his decision to begin talks with Mr. Mandela on how to draft a constitution to govern a post-apartheid nation.

The Bush administration wants to encourage Mr. de Klerk to keep moving forward and to give him something to point to when his rightist white critics ask what, if anything, his changes have gained for South Africa abroad.

But administration officials say that their praise will be tempered by admonitions that the African leader still has not gone for enough yet in his changes to justify a lifting of sanctions by Washington.

The South African president, officials added, will also be questioned about how he plans to contain the growing violence in South Africa's black townships, which threatens to undermine negotiations with the ANC.

Many black leaders have accused South African police and rightist organizations of instigating some of that violence among rival black groups that has led to more than 1,700 deaths this year.

IRAQ: *New Threats From Baghdad*

(Continued from page 1)

week's debate in the United Nations General Assembly on the Gulf crisis. The official Iraqi press agency said Mr. Aziz complained in a letter to Secretary-General Javier Pérez de Cuéllar about a U.S. decision barring his jetliner from landing in New York.

According to the agency, Mr. Aziz told Mr. Pérez de Cuéllar that the State Department "proposed that the foreign minister and his entourage find alternative commercial means to fly them to New York."

• The Iraqi-based Iranian dissident movement Mujahidin Khalq denied Sunday that its members were leaving Iraq out of fear of a possible deal between Tehran and Baghdad. In a statement from its Paris office, the movement denied a report in Le Monde, the Paris daily, that the dissidents were seeking refuge in Europe because Iran wanted the return of about 4,000 of its members exiled in Iraq.

• Kuwait's exiled minister of finance said Iraqi military forces had mined Kuwaiti oil installations. At a luncheon with reporters, Finance Minister Sheik Ali Khalifa Sabah, said, "We have received detailed information on this" from "our own people there" in Kuwait. He said it would be very difficult to inflict long-term damage on the fields, but that the mines could cause extensive damage on the surface and could set off "a lot of fires that would be very difficult to extinguish."

• In Buenos Aires, President Carlos Saúl Menem dismissed one of his advisers for sending 140 tons of beef to Iraq, by way of Iran, in violation of the trade embargo. A government statement on Saturday night said the presidential adviser, Alberto Samid, had been dismissed "for having collaborated with the government of Iraq in open violation of Decree 1560," issued Aug. 15 in support of UN sanctions.

(Reuters, AP, NYT)

IRAN: *A Food Leak in Embargo?*

(Continued from page 1)

Kuwait but, in comments reported by Tehran Radio, he suggested that the issue of the foreign military presence was secondary to Iraq's takeover of Kuwait.

"We will not accept the presence of foreign troops in this region after the Kuwaiti problem is resolved," the Syrian leader said.

By contrast, Mr. Rafsanjani said the buildup of U.S. and other Western forces in Saudi Arabia and the Gulf was "an arrogant scheme."

Iraq's invasion of Kuwait, he said, "has been of best service to the Zionists and their masters" and had permitted "the tragedy of the immigration of Soviet Jews to occupied Palestine being continued and implemented without any commotion because of the Persian Gulf crisis."

Western and Arab diplomats said Mr. Assad's visit to Tehran, his first since the Islamic revolution of 1979, was inspired by the same motives as prompted him to support Iran during its war with Iraq from 1980 to 1988 — to prevent his arch-rival, President Saddam Hussein of Iraq, from emerging as a regional power. Syria was Iran's most significant Arab ally during the war.

■ Iran Acquires MiG-29s

Iran said that its air force, which has long relied on an elderly fleet of U.S.-built fighter jets, has acquired an unspecified number of MiG-29 fighter-bombers from the Soviet Union, Agence France-Presse reported from Tehran.

One of the Soviet-made aircraft, which went into service in 1985, was shown on Saturday's evening news. It bore the Iranian Air Force emblem.

The Associated Press, quoting sources in Tehran, said Iran bought 14 MiG-29s in a deal signed during Mr. Rafsanjani's trip to Moscow last June.

RETURN: *Hong Kong Campaign*

(Continued from page 1)

tions High Commissioner for Refugees would play a critical role in any mandatory return.

"What has been achieved is an accelerated program for both those who want to volunteer and those who don't," Sir David said. "The UNHCR is very closely involved in this program of moving from straightforward voluntary repatriation to arrangements for returning to Vietnam people who haven't actively volunteered."

The government decides the status of the Vietnamese migrants under a screening procedure monitored closely by the High Commissioner. The only time the government has removed people against their will was last December, when police loaded 51 Vietnamese onto a commercial airliner shortly after midnight.

Several scuffles took place, and the operation was harshly criticized by human rights groups and the U.S. government, which strongly opposes forced repatriation.

According to the joint statement, the High Commissioner will submit the names and details of nonrefugees to the Vietnamese government for confirmation within one month. The organization will then inform Vietnam, within one week of their scheduled departure from Hong Kong, the date that those involved will be returned home.

Those returned against their will are guaranteed the same protection against persecution as are volunteers under an agreement signed in 1988 between Vietnam and the High Commissioner.

Martin Barrow, a Hong Kong legislator who opposes forced repatriation, said of the new deal: "Is it a disguised form of voluntary repatriation or a disguised form of forced repatriation? I don't know. But it doesn't seem that one can object to it."

ACROSS

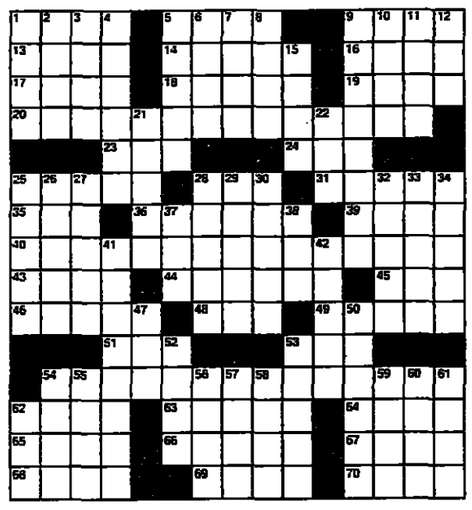
1 Practice for a bout
5 Evans or Robertson
9 Tennis coups
13 Plane's fixed route
14 Muslim decree
16 Letterman, to friends
17 Graham or Preminger
18 Bestowed
19 Portend
20 G. B. Shaw play: 1893
23 Consume
24 Transgress
25 Meager
28 Altar in the sky
31 Notches
35 Airport abbr.
36 Misstatements
39 River in Ireland
40 G. B. Shaw play: 1932
43 Novel by Jane Austen
44 Receiver of goods in trust
45 Casablanca-to-Tunis dir.
46 Distributed, as cards
48 Fifth note of the diatonic scale
49 Bus passenger
51 A son of Gad: Gen. 46:16
53 Female rel.
54 G. B. Shaw play: 1903
62 Something owed
63 —— Arledge, TV executive
64 Right-hand man
65 Jersey is one
66 Avoid
67 Geraint's spouse
68 Cast off
69 Walked on
70 Permits

DOWN

1 Niche
2 Lane
3 Poker stake
4 Unclose again
5 Toe, e.g.
6 Seed covering
7 Molten rock
8 Paradise
9 Activity for a decorator
10 Arrived
11 Always
12 Cambodian coin
15 Terminates
21 Misanthrope
22 One, in Bonn
25 Surfeited
26 "—— Yellow," Huxley book
27 Fragrance
28 Regions
29 Proportion
30 Coral island
32 Made dove sounds
33 Monetary unit of Denmark
34 Passover meal
37 Polish: massage
38 Actor Vigoda
41 Possessing special aptitude
42 Weird
47 —— -la-la
50 Jerusalem is its capital
52 Concerning
53 Swiftness
54 Network
55 Adjective for some seamen
56 Blockhead
57 Acerbic
58 Remove a knot
59 Dig for ore
60 Colliery entrance
61 Beatty and Sparks
62 Asunder: Prefix

Solution to Friday's Puzzle

M	A	G	I	C		P	O	O	R		O	D	D	S
A	P	O	D	A		R	A	R	E		P	R	A	M
D	A	L	E	S		O	H	I	O		E	D	I	E
D	R	F	A	U	S	T	U	S		D	R	O	N	E
			A	T	E		O	N	E	A	L			
P	A	D	D	L	E	S		N	O	G		I	S	T
O	G	R	E		P	T	A		M	A	N	T	L	E
S	A	F	E	R		S	D	S		S	A	T	A	N
I	N	U	R	E	D		E	C	O		S	L	I	T
T	A	M		E	N	S		H	A	S	T	E	N	S
		A	D	L	A	I		I	T	T				
G	E	N	U	S		D	R	Z	H	I	V	A	G	O
L	A	C	K		C	I	A	O		N	E	V	E	R
A	S	H	E		A	N	T	I		G	R	I	E	G
D	E	U	S		A	G	E	D		S	A	S	S	Y



© *New York Times, edited by Eugene Maleska.*

The Olympics are a forum for global linkage and Ricoh has been designated an official sponsor of the 1992 Olympic Games. This sponsorship of the Games includes developing an Olympic Worldwide Fax Network which will link the Olympic Family (National Olympic Committees, International Sports Federations and IOC members). A one-of-a-kind global communications network. The modern Olympics have always been a promising opportunity for global unity through friendly competition. And now, Ricoh is proud to share in this greater purpose of the Games by linking people around the world with the assistance of communication technologies. Not just during the Olympic Games, but continuing long after the last medal has been won.

RICOH IS PROUD TO HELP LINK THE OLYMPIC FAMILY.

FAX 09

FAX 1000L

FAX 7000L Digital G4

RICOH

Ricoh Europe, Groenelaan 4, 1186 AA Amstelveen, Holland, tel.: (020) 5474171. Austria: Ariston Bürosysteme Handelsges. GmbH., tel.: (0222) 58805-0. Belgium: Ricoh Belgium, tel.: (02) 7309782. Denmark: Ricoh A/S, tel.: 042974400. Finland: Oy Casi Emstrom AB, tel.: 90-71-9221. France: Ricoh France S.A., tel.: (1) 47 41 4910. Germany: Ricoh Deutschland GmbH., tel.: 06196-9060. Greece: Dossidis Bros., tel.: 5236401. Iceland: Ace hf., tel.: 127353. Italy: Reprotec S.p.A., tel.: (02) 647 3412. Netherlands: Ricoh Office Systems Nederland B.V., tel.: (033) 670811. Norway: Magne Orc A.S., tel.: (02) 685080. Malta: Office Technology Ltd., tel. 495483. Portugal: Rima, tel.: (021) 690094. Spain: Ricoh Iberia S.A., tel.: 4800460. Sweden: Emstrom kontorsbystemen, tel.: 08-6212800. Switzerland: Collpack A.G., tel.: 017211111. Turkey: Bilur Bilgi Amaçlan Ticaret A.S., tel.: 175800. UK & Ireland: Ricoh UK Ltd., tel.: 081-7516611.

OIL&MONEY

LONDON, OCTOBER 18-19, 1990

This year, of all years, you should join the international group of energy experts which the **International Herald Tribune** and **The Oil Daily** have assembled to address their 11th annual Oil & Money conference.

AMONG THE TOPICS UNDER DISCUSSION WILL BE:

- The Oil Market Outlook Following the Gulf Crisis
- The Geopolitical Outlook for the Gulf
- U.S. Energy Policy in the Light of Recent Events
- The World Economy: Consequences of Oil Price Escalation
- Capital Requirements for the Oil Industry – Will Financing Still Be Available?
- The Soviet Factor – Supply, Exports and Pricing
- The IEA's Response to the 1990 Oil Crisis

AMONG THOSE ADDRESSING THE CONFERENCE WILL BE:

- **H.E. Dr. Rasheed Salem Al-Ameeri,** Minister of Oil, Kuwait
- **H.E. Gholamreza Aghazadeh,** Minister of Petroleum, Iran
- **The Hon. W. Henson Moore,** U.S. Deputy Energy Secretary
- **H.E. Prof. Jibril Aminu,** Minister of Petroleum Resources, Nigeria
- **Dr. Herman Franssen,** Economic Advisor of the Minister of Petroleum & Minerals, Oman
- **Les McCraw,** Vice Chairman & CEO, Fluor Corp.
- **Robert McClements, Jr.,** Chairman, President & CEO, Sun Co.
- **Andres Sosa Pietri,** President, Petroleos de Venezuela
- **G. Quincey Lumsden,** Director, Oil Market Developments, International Energy Agency
- **Vladimir Arutunian,** Chairman, VVO Sojuznefteexport
- **Dr. Joseph Stanislaw,** Managing Director, Cambridge Energy Research Associates

In order to provide an up-to-the minute outlook for the oil market following the Gulf crisis, additional speakers and topics will be included in the final program.

International Herald Tribune

For further details contact:
Brenda Hagerty
International Herald Tribune
63 Long Acre
London WC2E 9JH
Tel. (44 71) 836 4802
Fax (44 71) 836 0717

FACE-OFF IN THE GULF: Saudi Arabia expels envoys from Iraq, Jordan and Yemen

André Camara/The Associated Press
Members of Saddam Hussein's militia rallying in Baghdad to denounce the United States.

Envoys Ousted by Saudis Said to Spy on Military

Compiled by Our Staff From Dispatches

DHAHRAN, Saudi Arabia — Iraqi and other diplomats who were expelled from Saudi Arabia had tried to pinpoint U.S. and other military targets for guerrilla attack, Arab diplomats said Sunday.

Saudi Arabia announced that it had expelled Iraqi, Yemeni and Jordanian diplomats because they were "engaged in activities detrimental to the kingdom's security and in a manner incompatible with diplomatic norms."

Iraq, meanwhile, announced that it was expelling the military attachés of the United States, Saudi Arabia, Egypt and seven European Community countries. The diplomats were ordered to leave Baghdad within specific periods ranging from 4 to 10 days, the official Iraqi press agency INA reported.

Iraq was retaliating for some EC countries' expulsions of its envoys, which in turn had occurred in reaction to reports that Iraqi troops had raided Western diplomatic premises in occupied Kuwait. Iraq denied that its forces had entered any Western diplomatic buildings.

The Saudi action against Iraqi and other diplomats came after a halt in Saudi oil deliveries to Jordan and new restrictions on Yemeni workers in Saudi Arabia.

The actions raised the stakes against nations that are thought to be aiding Iraq. In taking the actions, Saudi Arabia has underscored its willingness to use its economic muscle to control the outcome of the Gulf crisis.

In a carefully orchestrated series of diplomatic moves over the last two weeks, Saudi Arabia has put its economic allies on notice that lucrative Saudi trade and contracts depend on their response to the crisis. It has clamped down on Arab neighbors who are perceived to have cooperated with Iraq.

Diplomats say the Saudis are especially incensed about a meeting in Amman last week of pro-Iraqi groups. Speakers at that meeting called for the overthrow of Gulf Arab rulers of wealthy oil-producing nations.

Car owners in Jordan rushed to fill their tanks Sunday after Saudi Arabia cut off oil supplies. The Amman government, playing down the feud with Riyadh over Jordanian sympathy for Iraq, described the cutoff of half the country's oil imports as a commercial matter.

In an address aimed at the American people Saturday, King Hussein of Jordan pleaded for understanding of his country's position in the Gulf crisis. But he repeated his call for the removal of all U.S. troops from the Middle East.

"I will never admit defeat, because that would mean taking the easy way out," the king said, meaning that he would not change camps and and stop supporting Iraq.

Still, the king added, "the hurt is there from those who don't know the facts."

The Saudi government said in an official statement Sunday on the expulsions: "Those diplomats carried out activities which undermined the security of the kingdom and its safety."

The Iraqis, who have been confined to Riyadh since Iraq invaded Kuwait on Aug. 2, were said to have recruited Yemeni and Jordanian colleagues to help them gather information on U.S. and other military targets in Saudi Arabia.

More than 100,000 U.S. troops have been sent to the kingdom to counter Iraqi forces in and near Kuwait.

Iraqi, Jordanian and Yemeni diplomats were not available Sunday to comment on the reasons for the expulsions or to say how soon how many of them would be leaving the country.

Jordanian and Yemeni officials said Saturday that six Jordanian diplomats and five Yemenis would be allowed to stay. A total of 20 Jordanians and 30 Yemenis had been told to leave. *(Reuters, LAT)*

ASSAULT: *U.S. Studies Routes for Invading Iraq*

(Continued from page 1)

ry W. Jenkins, added, "They don't really know where we are, so we have the element of surprise."

Although 29,000 marines have landed in Saudi Arabia, the marines in the amphibious groups offshore will remain afloat to be available for the "forcible entry" mission they have trained for, officials have said.

One senior U.S. military official said two additional amphibious task forces, each carrying a Marine Expeditionary Brigade of 16,000 troops, had been designated for deployment in the eastern Mediterranean Sea near Turkey and the northern Red Sea near Jordan should the offensive plan be activated. As many as three additional army divisions have also been designated for deployment under the plans.

A U.S. strategy to open multiple fronts against Mr. Hussein would also try to exploit the weaknesses of Iraq's military supply system. In eight years of war with Iran, Iraq built up a fixed system of roads and warehouses along the 1,200-kilometer (750-mile) frontier with Iran.

"Their supply system is not geared to mobile operations or to project power," said one military analyst. Attacks from four sides would probably overwhelm such a system, which would also be under attack from U.S. and perhaps allied air power.

Military officials also point out that unlike North Vietnam, which supplied its troops in South Vietnam under the cover of jungle and from sanctuaries in Cambodia and China, Iraq has no cover for its ammunition depots, and its supply convoys rumble across exposed desert roads to reach its troops.

Still, other analysts say that the Iraqis could launch a stubborn defense based on building up multilayered earthen defenses, which U.S. and allied troops could not eliminate with air power alone and which would force close combat and a significant number of casualties.

It could not be learned whether the Bush administration had broached the question of territorial access to either the Turkish or the Jordanian government.

President Turgut Ozal of Turkey is to visit Washington this week, by which time, U.S. officials say, they will have completed the outlines of financial aid packages for Turkey, Jordan and Egypt. Mr. Ozal has said in the past that he would not allow Turkey to be a staging area for offensive military operations against Iraq.

The prospect of crossing Jordan's frontier would also appear to pose problems for Washington, because King Hussein has strongly opposed the deployment of U.S. forces in the region and has continued a dialogue with the Iraqi leader. Jordan also has a formidable army of its own.

Some military officials have expressed confidence, however, that a failure of this embargo to force an Iraqi withdrawal would not only build an international consensus for military action but would erode resistance in Ankara and Amman to providing territorial access to Iraq for U.S. armed forces.

"When the shooting starts, we don't believe anyone will be on the fence," one military official said.

The Saudi government and the exile government of Kuwait are already quietly urging the Bush administration to prepare for an offensive military campaign that could commence before the end of the year. But some senior U.S. military officials are cautioning that building offensive ground combat power around the Arabian Peninsula would require months of preparation after a presidential decision.

U.S. forces are far from numerical parity with the 360,000 Iraqi troops that the Pentagon estimates are primed for combat in Kuwait and southern Iraq.

"If we were to go on the offensive, we would have to have a better ratio than we have," one military official said.

And, as new Egyptian, Syrian, British and French ground forces have begun steaming toward or landing in Saudi Arabia, it has become clear that the military buildup and the thorny questions of joint command structure and tactical coordination could tie up military planners for months before they felt confident enough to go on the offensive.

U.S. Might Ask UN to Back Strike Against Iraq

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — Secretary of State James A. Baker 3d raised the possibility on Sunday that the United States would eventually seek United Nations authorization for military action against Iraq.

Asked in a broadcast interview if the United States would go to the United Nations if it saw the need to use force to resolve the Gulf crisis, Mr. Baker responded: "That's something, of course, that is possible."

Mr. Baker said President George Bush hoped to maintain the international consensus against Iraq and its leader, Saddam Hussein, even in the case of a military strike.

"If the president felt that it was necessary to use force," he said, "I think he would want to move in a manner that would seek to preserve as much of the international consensus as we could — and, hopefully, all of it."

Interviewed separately on television, the UN secretary-general, Javier Pérez de Cuéllar, said he would welcome the "peaceful effort" of a UN peacekeeping force in the Gulf if the Security Council decided that was needed.

He also said he would have "a very important opportunity" to meet in the next few days with many of the principals in the crisis, including Iraq's foreign minister, Tariq Aziz.

"I intend to obtain from him some clarifications about the very tough position of his country," the secretary-general said.

An initial meeting between Mr. Pérez de Cuéllar and Mr. Aziz in Amman produced no breakthrough.

Mr. Baker sketched various diplomatic and military scenarios and, indicating the possibility for a greater UN role, even in military matters, he said, "These are issues that we have to think about and have been thinking about."

He did not specify whether UN authorization could be sought for individual member nations to act or for a multilateral force to act.

Among the options involving a military response, Mr. Baker indicated that the United States would act on its own if American citizens in Iraq or Kuwait were harmed, but that action could also be taken under the UN charter in order to "implement" existing UN resolutions. The United States has long maintained that the charter authorizes military action in defense against unprovoked aggression.

The key to determining which option is chosen is whether the United States is provoked, Mr. Baker said.

"Provocation would call, I think, for some sort of an appropriate response," Mr. Baker said. "That might be a response that is designed to protect America's citizens that might be different than a response designed for full implementation of all of the UN Security Council resolutions."

Although Mr. Baker's comments seemed to raise the possibility of a Korea-style UN intervention, he emphasized that further diplomatic options remained to be explored.

He noted that the foreign ministers of the five permanent members of the Security Council would meet this week to discuss a possible air embargo of Iraq, and he said further diplomatic pressure could be imposed on Iraq. He declined to specify these further measures being considered.

"I don't think we're running out of nonmilitary options," he said.

By U.S. count, more than 20 nations have already pledged troops, equipment or money to the defense of Saudi Arabia and the enforcement of the embargo against Iraq. In addition, the United States has succeeded in persuading the Security Council to pass six resolutions condemning the invasion and imposing sanctions.

Mr. Baker stressed that there would be no compromise with Iraq over the question of its withdrawal from Kuwait and the restoration of the governing Sabah family. But he said Iraq and Kuwait could discuss "details" after a withdrawal that returns to Kuwait to the status quo before the invasion.

"We can't begin to walk away from six Security Council resolutions," Mr. Baker said. "That's simply not going to happen."

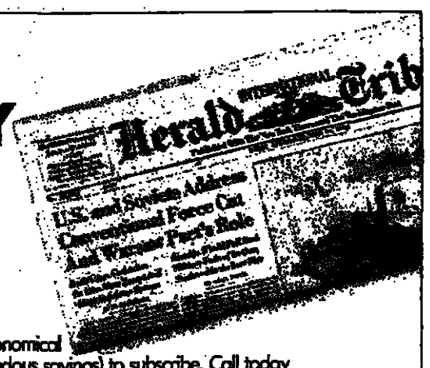
Paris Police Recover Six Stolen Paintings

Reuters

PARIS — The police have recovered six valuable paintings and a statuette stolen from museums in France and Italy, the Interior Ministry said on Sunday. The works, including a Renoir estimated to be worth about $1 million, were found after police Saturday arrested the suspected thief of a 15th-century Italian work.

The man, not identified, was believed to have been behind the theft in Venice last Friday of a portrait of a doge, Francesco Foscari, taken from an easel in a museum in St. Mark's Square, an official said.

SUBSCRIBE TODAY AT UP TO 50% SAVINGS!



IT'S QUICK.

Get better acquainted with the International Herald Tribune (IHT) with our special introductory offer for new subscribers. And as an added bonus, you'll receive up to 52 free issues for subscriptions of six months or more. Just refer to the chart and call the appropriate telephone number for your country. Tell the operator at Phone Service Europe you want to subscribe to the IHT and indicate the term you prefer. Pay conveniently by credit card. Or request an invoice for six and 12-month subscriptions. It's never been faster (with our new telephone numbers) or more economical (with tremendous savings) to subscribe. Call today to start your IHT subscription for home or office delivery.

IT'S EASY.

If you're on the go and don't have time to call, just complete the coupon below to start your subscription to the IHT. It's never been easier. Pay by check or credit card. Don't delay. Return the coupon now to start your subscription to the IHT at up to 50% savings.

Country/Currency		TELEPHONE NUMBER	12 months (+52 free issues)	ONE-YEAR SAVINGS	6 months (+26 free issues)	3 months (+13 free issues)
Austria	A. Sch.	0222/6766.33455	5,100	3,272	2,800	1,500
—hand delivery Vienna	A. Sch.		5,400	2,972	3,000	1,600
Belgium	B.Fr.	03/2710304	11,000	7,200	6,000	3,300
Denmark	D.Kr.	00946/8.835643	3,100	1,268	1,700	930
Finland	F.M.	99046/8.835643	2,000	1,276	1,100	600
France	F.F.	05/437437	1,600	1,312	880	485
Germany (mail)	D.M.	013.02525	600	419	330	182
—*hand delivery	D.M.		758	261	399	204
Great Britain	£	0800/700600	150	105	82	45
Greece (mail)	Dr.	01/51.29005	40,000	32,800	22,000	12,000
—hand delivery Athens	Dr.		50,000	22,800	28,000	15,500
Ireland	IPt.	— —	155	118	85	47
Italy	Lire	— —	450,000	350,800	250,000	138,000
Luxembourg	Lfr.	32/3.2710304	11,000	7,200	6,000	3,300
Netherlands	Fl.	055/212329	600	492	340	185
Norway (airmail)	N.Kr.	09546/8.835643	2,500	1,868	1,400	770
—*hand delivery	N.Kr.		3,000	1,368	1,650	910
Portugal	Esc.	00934/1.5551085	37,000	30,900	17,000	9,300
Spain (mail)	Ptas.	91/5551085	35,000	25,060	19,200	10,600
—**hand deliv. Barcelona Bilbao, Seville, Valencia	Ptas.		38,000	22,060	20,900	11,500
—***hand deliv. Madrid	Ptas.		51,480	—	25,740	12,870
Sweden (airmail)	S.Kr.	08/835643	2,200	1,440	1,210	665
—*hand delivery	S.Kr.		2,800	840	1,540	850
Switzerland	S.Fr.	046/055757	500	446	275	150
Rest of Europe, N. Africa, form. French Africa, Middle East	$	— —	500	Varies by country	275	150
Rest of Africa, Gulf States, Asia	$	— —	650		355	195
Central/Latin America	$	— —	600		330	180

* For information concerning special hand-delivery in major German cities call IHT Germany at: (069) 69.48.92 or fax (069) 69.48.94. Rates do not include free issues.
** At these rates, you can get morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Goteborg and Malmo.
*** At these rates, hand delivery is available by morning in Barcelona, the same day in Seville and Valencia and the next day in Bilbao. For Madrid, hand-delivery is available by morning, but without the free issues.

Yes, I want to start receiving the IHT. This is the subscription term I prefer (check appropriate boxes):
☐ 12 Months (364 issues in all with 52 bonus issues). ☐ 6 Months (182 issues in all with 26 bonus issues). ☐ 3 Months (91 issues in all with 13 bonus issues).
☐ My check is enclosed (payable to the International Herald Tribune).
☐ Please charge my: ☐ American Express ☐ Diners Club ☐ VISA ☐ MasterCard ☐ Eurocard ☐ Access
CARD ACCT. NO. _____ EXP. DATE _____ SIGNATURE _____
NAME _____
ADDRESS _____
CITY/CODE _____ COUNTRY _____
TEL. _____ FAX _____
Return your completed coupon to: Subscription Manager, IHT, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. *This offer expires December 31, 1990, and is available to new subscribers only.*
24-9-90

During the two days of the World Summit for Children, this is what will happen.

2,800 children will die from whooping cough.

8,000 children will die from measles.

4,300 children will die from tetanus.

5,500 children will die from malaria.

22,000 children will die from diarrhoea.

12,000 children will die from pneumonia.

Now you know why there's a summit.

WORLD SUMMIT FOR CHILDREN, UNITED NATIONS, NEW YORK
SEPTEMBER 29-30th 1990.
For information contact: UNICEF House, 3 United Nations Plaza, New York, New York 10017, Tel: 212/326-7522, Fax: 212/326-7464.

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. September 21

Australian Dollars

Issuer	Con	Mat	Price	Yld	Spd Trsy
A B N Austral	14½	94	99½	14.70	
Amro Bank	13¾	95	96¾	14.46	
Anz Bk Gp	n.a.	91	54	15.12	
Austri Control	12¾	93	95	14.58	
Austri Control	13¾	94	96	14.70	
Austria	14¼	92	100	14.08	
B M W Fin	14	92	100	14.32	
B N P	14	91	99	14.83	
B N P	14	91	96¾	14.70	
B N P	13½	93	95½	14.48	
B P Capital	14½	92	99¼	14.14	
B P Capital	13¾	92	97¾	14.22	
B P Capital 'A'	13¾	92	97	14.32	
C B A	13¾	93	96	14.45	
C B A	15½	94	101½	14.51	
C B A	14	94	98¾	14.36	
C B A	14	95	97½	14.24	
C B A	13¾	96	97¼	14.31	
Council Europe	14	92	100	13.96	
Council Europe	13	93	95	14.44	
Cr Lyonnais	13	91	98¾	14.75	
Cr Lyonnais	14	91	99	14.84	
Cr Suisse	14½	92	99½	14.73	
Daimler-Benz	14¼	95	100	14.21	
Denmark	14	90	99¼	15.52	
Deut Bk	14½	92	99½	14.57	
Deut Bk	13¾	93	97	14.56	
Deut Bk	13¾	95	93	14.94	
Deut Bk	12½	95	97½	12.95	
Deut Bk Aust	14	95	103¾	13.40	
Deut Bk Fin	14½	92	99½	14.70	
Deut Bk Fin SI	14	93	100½	13.91	
Deut Bk Fin	14	93	99½	14.22	
Deut Bk Fin	15	94	101½	14.34	
Eurofima	13½	93	95½	14.54	
Eurofima	13½	94	96¾	14.52	
Eurofima	13	95	96½	14.07	
Ford Cred Aus	14	92	98	14.74	
Ford Cred Aus	13	93	96½	14.69	
Ford Cred Aus	13½	93	96½	14.84	
Ford Cred Aus	15¾	94	101¾	13.97	
Ford Motor Cr	13¾	90	99	[illegible]	
Ford Motor Cr	13¾	91	99	15.19	
Ford Motor Cr	15¼	94	100	15.19	
Girozentr Wien	12¾	92	98	15.28	
GMAC	14¼	91	99¼	14.84	
GMAC Aust	13¼	91	98	14.72	
GMAC Aust	13½	92	98	14.99	
GMAC Aust	13¾	93	98¼	14.72	
GMAC Aust	16	92	101½	14.94	
GMAC Aust	15½	93	100½	15.05	
Heinz	12½	91	98	15.06	
I B M	15¼	93	100¾	14.90	
I B M Aus Cred	13¾	92	97½	14.71	
I B M Aus Cred	13	93	97	14.55	
I B M Aus Cred	16	93	102½	14.53	
I B M Aus Cred	14¾	93	98¾	14.45	
I B M Aust	13½	91	98¾	14.81	
I B M Aust	15½	93	101	14.64	
I B M Aust	15¾	93	102½	14.45	
I C I	15	92	100¾	14.55	
I C I	15½	92	101¼	14.45	
Mcdonalds	14¾	91	99½	14.71	
Mcdonalds Can	15	95	99½	15.09	
Montreal Tstco	14¼	94	97¼	25.04	
N S W Treasury	14¼	92	99¼	14.67	
Natl Austrl Bk	14¾	94	100	14.46	
S E C Victoria	12½	95	93¾	14.23	
S E C Victoria	n.a.	96	46	13.80	
S E K	13½	91	98½	14.81	
S E K	14½	92	99¼	14.50	
S E K	12½	93	94½	14.79	
Sec Victoria	n.a.	96	46½	13.59	
Skandi Enskild	13¾	90	99¾	18.04	
Soc Gen	13	92	97½	14.44	
Soc Gen	13½	93	95¼	14.70	
St Bk Nsw	12½	91	98	14.56	
St Bk Nsw	13½	93	98½	14.44	
St Bk Nsw	14¼	94	100	14.24	
St Bk Nsw	14½	00	99¼	14.40	
St Bk Sth Aust	15¼	94	101	14.73	
Sth Aust Govt	n.a.	94	54	15.32	
Sweden	15	94	101½	14.33	
Sweden	13¾	94	95½	14.23	
Tor-Dom Aust	16¼	92	102	15.07	
U B S Fin	14	94	99½	14.29	
Volkswagen	15	94	102¼	14.06	
World Bk	13¾	92	98¼	14.45	
World Bk	14¼	94	98½	14.62	
World Bk	12¾	94	95	14.43	
World Bk Feb	14½	92	99	14.33	
World Bk Jul	13¾	92	95½	14.76	
World Bk Mar	12¾	93	95½	14.95	

Canadian Dollars

Issuer	Con	Mat	Price	Yld	Spd Trsy
A I D C	10	91	99	11.59	+81
A I D C	10½	93	95¼	12.20	+131
A K Z O	11	91	99¾	12.21	+143
Abbey Natl	10¼	94	94¾	12.13	+115
Abbey Natl	10¾	93	96	12.39	+151
Alberta Prov	7¾	94	97	11.46	+49
Amer Genl	10	91	99	11.93	+115
Amex	10¼	90	99¾	10.93	+15
Arco Fin	11	93	96½	12.48	+158
Asik-Cger	10½	91	98	12.07	+129
Asik-Cger	11½	92	99¼	12.39	+161
Austri Control	10¾	92	99¾	11.51	+77
Austri Control	11¾	95	99¾	11.50	+78
Austri Control	10¼	90	91¼	12.30	+52
Austri Control	9	97	91½	10.87	+38
Austri Sparkas	9¾	92	97¼	11.56	+78
Avco Fin Serv	11¾	92	96¾	12.31	+151
Avco Fin Serv	10¼	92	96¼	12.33	+155
B C Province	13½	91	100¾	11.95	+117
B C Province	9¾	96	89½	11.89	+92
B C Telephone	12¼	89	100	12.49	+40
B F C E	10	94	94½	11.79	+51
B N P	10½	94	95	11.73	+38
B N P	10¾	91	98¾	11.98	+120
B N P	11½	92	97½	12.46	+168
Bacob Finance	9	91	97½	11.71	+100
Bavernhyp Fin	10¾	92	97½	11.71	+90
Bca Lavoro	11¼	94	90¼	12.31	+153
Bell Canad Reg	9½	96	90¼	12.34	+125
Bell Canada	10¾	99	93½	11.91	+65
Bell Canada	10½	04	87½	12.34	+73
Bell Canada	10	91	98¾	12.19	+141
Bell Canada	9¼	06	84	11.95	+69
Bell Enterpris	9¾	93	95¼	11.80	+84
Bergen City	8¾	94	87¼	12.05	+127
Berliner Bk	10¼	91	98½	12.18	+83
Bhf-Bk Fin	10½	92	97¾	11.71	+93
Bk Montr Reall	10½	92	97¼	12.22	+141
Bk Montr Reall	9½	96	90½	11.95	+83
Bk Montreal	10¾	90	99¾	12.64	+186
Bk Montreal	10¼	91	98¼	12.12	+134

MUTUAL FUNDS

Figures as of close of trading Friday, September 21.

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

TO OUR READERS IN GERMANY

It's never been easier to subscribe and save. Just contact us at our Frankfurt office.

Phone: (069) 69 48 92

Fax: (069) 69 48 94

FROM TRAIN CONTROL

Herald Tribune
BUSINESS/FINANCE
MONDAY, SEPTEMBER 24, 1990

TO AIR TRAFFIC CONTROL
In Touch with Tomorrow
TOSHIBA

EUROBONDS

Debtor Countries Turn To Bonds for Financing

By Carl Gewirtz
International Herald Tribune

PARIS — With Mexico in the lead, debt-ridden developing countries are making a comeback in the international capital market. Mexico's state-owned oil company, Pemex, last week tapped the Eurobond market for $150 million and Czechoslovakia's Obchodni Banka raised 350 million Deutsche marks.

The Pemex issue, its first in the Eurodollar market since the outbreak of the debt crisis in 1982, is the fifth public Eurobond by a Mexican state-guaranteed borrower this year. In addition, bankers report an increasing number of privately placed bond issues for private-sector Mexican companies.

Developing-country bonds are targeted both to retail investors who hanker after double-digit coupons and institutional investors who are seeking to replace the high income that used to be generated by financing highly leveraged takeovers.

Surge in issues raises doubts about future debt servicing.

Unlike the highly speculative junk bonds issued in corporate restructurings, developing country bonds carry a cachet of security.

Despite the bad credit record developing countries established with commercial banks, frequently running large arrears on bank loans that have been rescheduled numerous times since 1982, the track record on public bonds has been impeccable: Interest due on the bonds has always been paid on time and the scheduled repayments of principal have been scrupulously respected.

Bond salesmen like to believe that this perfect record is a function of how difficult it would be to gather the anonymous holders of bearer securities and solicit approval to modify the interest or repayment schedule.

A more likely explanation is that the amount of debt outstanding in the form of bonds has been a pittance compared to the sums owed to commercial banks.

But this is changing. The debt profile of indebted countries is being dramatically restructured by the current official strategy aimed at reducing the crushing payments burden. Among the menu of options, bankers and debtors can agree to exchange existing bank debt at a substantial discount from face value for long-term bonds — a swap that appears to enhance the prospect of payback given the perfect record to date on servicing bond debt.

AS A RESULT, the amount of debt now outstanding in the form of bonds has soared. For Mexico, which has made extensive use of swapping bonds for discounted bank debt, the amount of foreign currency bonds now outstanding is estimated by U.S. bankers to be approaching $45 billion. This compares with around $3 billion five years ago.

This swelling importance of the bond burden is greater than even the total suggests as the size of the external debt also has shrunk, to an estimated $90 billion currently from $106 billion in 1985.

Half the outstanding debt is now in the form of bonds, prompting bankers to begin questioning whether the excellent debt-service record to date on bonds can be projected with confidence into the future.

This doubt appeared to be reflected in last week's issue for Pemex. Its three-year notes carrying a coupon of 11¾ percent were offered at a discount of 99.70 to yield 324 basis points, or 3.24 percentage points, more than comparably dated U.S. government paper. Despite this whopping pick-up in yield, investors were not rushing to buy.

While the company, and Mexico, stand to benefit from the sharp rise in the price of oil, there is some question about Pemex's ability to raise production to fully exploit the increase.

Lead manager Swiss Bank Corp. said it had advised underwriters "to take only what they could sell" as SBC would not be supporting the price of the notes in the broker market prior to the closing date on Oct. 25.

"Underwriters are not supposed to come in for paper unless they can place it," the SBC spokesman said, adding that the bank is "not prepared to give a free-ride" to underwriters who take paper and then try to sell it back to the lead manager via the broker market.

"No one underwriting this issue should have any illusion that this will be a liquid issue," he said.

In the DM sector, Obchodni Banka's 5-year issue was offered with a coupon of 10 percent and priced at 101 to yield 9.75 percent, about 75 basis points over West German government paper.

There was no broad demand for this issue either, although the debt burden of Czechoslovakia is considered relatively light.

The Czech paper ended the week quoted at a discount of 2.4

See EUROBONDS, Page 11

Industrial Nations to Meet on Gulf Aid Package

Compiled by Our Staff From Dispatches

WASHINGTON — The Group of Seven leading industrial democracies will hold a special meeting on Wednesday to firm up a multibillion-dollar aid package for so-called frontline countries facing economic disruption from the Gulf crisis, officials said Sunday.

Monetary sources from the Group of Seven nations said this weekend that agreement had yet to be reached on how much aid would be needed by the three hardest-hit nations, Egypt, Turkey and Jordan.

Officials also said that no decision had yet been reached on whether the aid should be channeled through existing organizations like the World Bank and the International Monetary Fund, or whether some other means of distribution should be set up.

Horst Köhler, secretary of state of the West German Finance Ministry, said that estimates of the aid needed in 1991 by Egypt, Turkey and Jordan ranged from $9 billion to $14 billion.

"It is a large range and we have yet to agree on what we have to do," Mr. Köhler said.

The special G-7 talks are expected to include representatives from Saudi Arabia and the exiled Kuwaiti government, and perhaps some other countries. Saudi Arabia, Kuwait, Japan and other donors have already pledged almost $20 billion for the United States and other countries facing high costs due to the Gulf crisis.

The money will help pay for the U.S.-led military operation and offset the fallout of higher oil prices and economic disruption caused by floods of refugees since Iraq invaded Kuwait on Aug. 2.

The United States favors an international pool of funds and is eager to maintain as much control of these funds as possible. West Germany and Japan say that the World Bank and the IMF should be closely involved in any distribution of international funds.

On Saturday, a group of 24 Third World nations called for long-term loans on easy terms to help countries hit by the Gulf crisis.

The call was issued under the leadership of S. M. H Adeli, the governor of Iran's central bank. The nations include both oil producers and importers from Asia, Africa and Latin America.

Mr. Adeli, the chairman of the group, refused to say whether his country would contribute some of its windfall from higher oil prices to help those nations that import oil.

At a news conference after the meeting, he said that the governments of oil-producing countries would like to see a settlement of the crisis as soon as possible.

"We do not predict that it is a permanent situation," he said. "It is a reversible situation."

Representatives of the 24 nations came together as part of the annual meetings of the World Bank and the International Monetary Fund, attended by more than 150 countries.

The Third World nations said that the global situation could bring additional difficulties for Third World nations: less demand for their goods, higher prices for imports, higher interest rates on their debts, uncertainties on the world currency market, the cost of resettling workers coming home from Kuwait, the loss of those workers' wages and the loss of exports because of the United Nations sanctions against Iraq.

They urged the World Bank and the IMF to mobilize more help and debt relief, including "highly concessional assistance," for the countries most affected. *(Reuters, AP)*

G-7 Calls Recession Avoidable

Concern Voiced Over Oil Prices

By Hobart Rowen
Washington Post Service

WASHINGTON — Despite the twin risks of inflation and lower economic growth triggered by the Gulf crisis, the financial leaders of the seven largest industrial democracies said that recession in their countries would be averted, and the Group of Seven's "expansion is expected to continue next year."

But they acknowledged that many smaller countries were extremely vulnerable to the economic consequences of higher oil prices, and they called on the World Bank and International Monetary Fund to step up their efforts to help them.

The Bank of Japan has no plans to raise interest rates. Page 11

After a day-long meeting Saturday, the finance ministers and central bankers of the United States, Japan, West Germany, France, Britain, Canada and Italy said that avoiding the twin risks of inflation and low economic growth would require a delicate balancing of economic policies in their own countries.

Their communiqué stressed that the financial markets, including the exchange markets, had reacted to the Gulf crisis in "orderly" fashion, despite global uncertainties.

The U.S. Treasury secretary, Nicholas F. Brady, stressed that the financial leaders "had tried to convey a sense of stability, which is the case." Declines in stock markets, Mr. Brady said, have been no worse than expected, "and all in all, there has not been a precipitate decline in stocks, bonds, or currency markets."

Exchange rates, the G-7 communiqué said, "were now broadly in line with continued adjustment of external balances." The meaning of the latter phrase is that the major powers, especially the United States and Japan, are satisfied that the yen has appreciated about enough, and the U.S. dollar has depreciated sufficiently — and all the powers pledged to continue the economic coordination process aimed at keeping the present balance in exchange rates.

[Mr. Brady told the International Monetary Fund's Interim Committee, on Sunday that current foreign-exchange rates were "broadly conducive" to a further reduction of global trade imbalances, Reuters reported.

["We have, in fact, seen considerable adjustment of trade and current account imbalances," Mr. Brady said. "We expect some additional adjustment in the largest economies in the next year or so." He also said that the United States was committed to making substantial progress in reducing its budget deficit, but that countries with trade surpluses must do their share.]

On the question of economic and financial strategy needed to adjust to the risks posed by higher oil prices, the G-7 communiqué said

See GROWTH, Page 11

Major Says U.K. Growth May Grind To Halt

Reuters

WASHINGTON — John Major, Britain's chancellor of the Exchequer, said Sunday that the British economy has entered a "disinflationary phase" and was headed for a period of low or no growth coupled with high inflation.

Mr. Major told a news conference at the annual meetings of the International Monetary Fund and the World Bank that there was nothing to be gained — and a great deal to be lost — by easing up on the inflation fight.

"I don't think when you look forward to the 1990s that we can afford an inflation performance that is less than the best in Europe," Mr. Major said. "I am pretty fed up with an inflation performance that is less than the best," he added.

He said the current economic slowdown was a "clear indication" that the British government's policies aimed at bringing down inflation were working.

While many British economists are forecasting a British recession, Mr. Major used the term "growth recession."

Economists usually define the term growth recession to mean an economy expanding significantly more slowly than its productive potential. Mr. Major said it was not yet clear whether the British economy was heading for a recession in the U.S. sense — usually defined as two consecutive quarters of contraction.

Mr. Major gave no hint of an early cut in British interest rates, stressing the priority of fighting inflation.

The chancellor said he thought the British slowdown could begin to have an impact on inflation, which was at 10.6 percent in the year to August, "within a measurably short period of time" but would not be more specific. "That it will occur, I think we can now be certain," he said.

Mr. Major told reporters that he recognized that slower growth in Britain was of concern to homeowners and businessmen, but added: "I am clear that the very worst step I could take would be to ease up on inflation," he said.

"A cooling off period is essential to enable us to shake off the inflationary handicap which has dogged us in the last year or so," he said.

Building Germany — and Volkswagens

By Steven Greenhouse
New York Times Service

WOLFSBURG, West Germany — This Wednesday will be one of the biggest days in Carl Hahn's life.

On that day, Mr. Hahn, the chairman of Volkswagen AG, Europe's largest automaker, will join Chancellor Helmut Kohl of West Germany to lay the cornerstone of a $1.9 billion assembly plant that Volkswagen is building in Mosel, East Germany.

It will be a big day for Mr. Kohl, the political miffer of the two Germanies, because the Volkswagen plant is the single largest West German investment planned for East Germany.

But it will be an even bigger day for Mr. Hahn, 64, the hard-nosed, down-to-earth manager who is increasingly viewed as the foremost economic unifier.

For him, the day will be fraught with emotion. He grew up near the site of the new plant and once worked as an apprentice in a nearby auto plant.

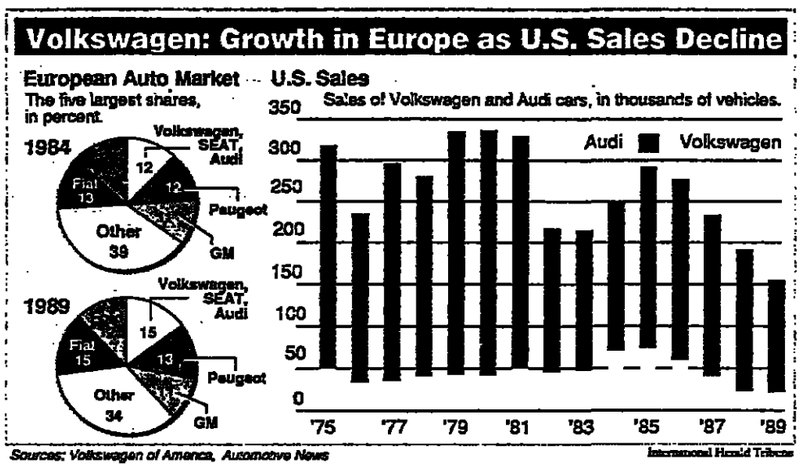
He fled from East to West after World War II to escape Communist domination, and he always vowed to some day help rebuild East Germany and its painfully obsolete auto plants.

Now he has his chance.

"I felt very sad that nothing had been done to these plants in 45 years," he said. "When you look at these old automobile factories, you find something beyond human expectation, and you find dedicated, hard-working people there."

His steel-blue eyes took on a riveting intensity as he discussed his vision to help East Germany's car industry recapture its former greatness.

Volkswagen: Growth in Europe as U.S. Sales Decline



Sources: Volkswagen of America, Automotive News — International Herald Tribune

Under communism, "East Germans had to wait 15 years for a car that was below human dignity," he said in a tone bordering on anger, referring to the waiting list to buy the underpowered, pollution-spewing Trabant.

Mr. Hahn says the 250,000 cars the Mosel plant will produce each year by 1995 are a key part of Volkswagen's strategy to stretch its lead in Europe and boost its 3-million-car-a-year output to 4 million by the mid-1990s.

Since taking the helm at Volkswagen in 1982, Mr. Hahn has jazzed up its models, strengthened its position in Europe and more than restored its financial health; it had record earnings and revenues last year.

With its $39 billion in sales last year, Volkswagen is West Germany's — and will be a united Germany's — second-largest company after Daimler-Benz AG, the auto, truck and aircraft group.

As Oct. 3, the official unification date, approaches, Mr. Hahn is spearheading the massive effort by West Germany's mighty industrialists to rebuild East Germany's economy and extend their reach eastward.

He has traveled across Europe to urge other companies to help rebuild East Germany's economy. Mr. Hahn has played such a pivotal role that many East Germans used to say, half-joking, that Chemnitz, the city the Communists had renamed Karl Marx Stadt — where Mr. Hahn was born and where Volkswagen plans to expand a factory to build 500 engines a day — should be renamed Carl Hahn Stadt.

But even as Mr. Hahn basks in the spotlight, there are growing worries about cracks in the Volkswagen empire, with its 260,000 workers, the Audi luxury car group and SEAT, the Spanish auto maker:

- After five record years, car sales in Europe are expected to fall this year. Fiat SpA, Peugeot and Volvo ABhave announced plans to idle or lay off thousands of workers, though Volkswagen has no such plans.
- In the United States, Volkswagen's sales slipped to 154,000 cars last year, compared with

See HAHN, Page 11

Haussmann Calls for Making East Low-Tax Area

Reuters

COLOGNE, West Germany — The West German economics minister, Helmut Haussmann, has proposed a three-stage program to stimulate investment and create jobs in East Germany.

The proposal calls for grants for investment, to be followed by making the eastern part of the country a low-tax area, Mr. Haussmann said in an interview with the Cologne newspaper Express on Sunday.

"In the third stage when the economy of entire Germany is growing at full speed, the lower tax will be extended to what is now West Germany in the all-German tax reform," he said.

Mr. Haussmann's call for lower taxes in what is now East Germany contrasts sharply with the view of Finance Minister Theo Waigel, who has said that tax incentives such as corporate tax cuts are the wrong way to stimulate investment.

Mr. Waigel says that government policy calls for equal tax treatment for both parts of Germany, from the beginning of 1991. Last week he stressed this point in a letter to leading German industrialists.

Asked in the interview about the possibility of increasing taxes to finance the soaring costs of reunification, Mr. Haussmann said: "I am strictly against it. We would punish with additional tax burden those from whom we could expect the largest contribution."

But Mr. Haussmann suggested earlier this month that corporate tax reform for what is now West Germany be postponed for five years but put into effect in the eastern part of the country beginning in 1991.

Interior Minister Wolfgang Schäuble said in an interview published Saturday in Express that he would not rule out a tax increase due to the impact of the Gulf crisis on the world economy.

Asked whether tax increases were necessary for reunification, Mr. Schäuble said, "One should never say never," adding, in a reference to the Gulf crisis, "It does not only depend on factors on which we have control.

Mr. Schäuble said there was a limit to how much money could be raised on the capital market, since heavy borrowing would raise interest rates and slow economic growth.

In Washington, the Bundesbank president Karl Otto Pöhl, also said that the government could not finance German union by borrowing alone.

Mr. Pöhl has said in the past that he would not rule out the need for tax increases to help finance union, but he has also stressed the need for public-sector savings.

CURRENCY RATES

Cross Rates — Sept. 21

	$	£	DM	F.Fr.	Lire	G.Fl.	S.Fr.	S.Kr.	Yen	C$	Peseta
Amsterdam	1.78	3.185	1.1573	0.3388	0.1157 *	—	1.402 *	1.2421	1.3017 *	1.5385	1.184 *
Brussels	32.4825	58.0325	21.061	6.17	2.101 *	18.201	—	34.0288	0.2372	28.083	22.010*
Frankfurt	1.5776	2.816	—	0.3307	0.1092 *	0.8852	4.845 *	1.1915	1.1535 *	1.3638	1.169 *
London (a)	1.9035	—	2.9729	0.7834	0.2659	2.2691	59.885	2.4099	202.76	2.3325	191.98
Madrid	99.27	181.955	62.52	18.676	6.294 *	55.455	3.0425	74.35	72.75 *	85.49	—
Milan	1,578.45	2,772.50	744.85	222.55	—	661.20	34.222	888.75	8.972	1,018.75	71.574
New York (b)	—	1.9035 ¤	1.5781	1.3888	1,725.50	1.7795	32.445	1.2385	134.65	1.3333	98.545
Paris	5.288	9.284	3.348	—	5.496 *	2.97	3.1458	3.988	2.3582 *	4.574	3.332 *
Tokyo	157.89	298.72	97.28	29.88	9.1771	77.46	4.3892	104.55	—	119.62	1.3966
Toronto	1.3529	2.1259	0.7284	0.2182	0.06 *	0.6433	3.351 *	0.8373	0.844 *	—	1.722 *
Zurich	1.3125	4.438	0.8265	0.2484	0.0719 *	0.7398	4.0549 *	—	0.9482 *	1.1265	1.5371*
1 ECU	1.2864	0.7946	2.8899	0.892	1,534.57	2.2988	42.2389	1.7297	178.451	1.51	138.481
1 SDR	1.3988	0.7532	2.3904	7.2332	1,429.98	2.4884	45.8451	1.4924	198.539	1.6894	126.949

Closings in London and Zurich, fixings in other centers. New York closing rates, Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5850.0	Greek drac.	155.25	Mex. peso	2888.00	S. Afr. rand	2.565
Austral. $	1.2711	Hong Kong $	7.7585	N. Zealand $	1.6148	Soviet ruble*	0.5647
Austr. schil.	11.06	Indian rupee	17.857	Norw. krone	6.105	Swed. krona	5.791
Brazil cruz.	78.49	Indo. rupiah	1947.00	Phil. peso	27.57	Taiwan $	26.87
Chinese yuan*	4.72	Irish £	0.5855	Port. escudo	138.48	Thai baht	25.40
Danish krone	6.8178	Israeli shek.	2.0227	Saudi riyal	3.7497	Turkish lira	2679.00
Egypt. pound	2.7434	Kuwaiti dinar*	n.a.	Sing. $	1.763	UAE dirham	3.6722
Fin. markka	3.775	Malay. ring.	2.6972	S. Kor. won	714.70	Venez. bolív.	48.70

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8976	1.8973	1.8964	Canadian dollar	1.1618	1.1666	1.1703
Japanese yen	134.69	134.65	134.65	Swiss franc	1.5231	1.5231	1.5231

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Sept.21	Sept.14	Ch'ge
DJ Indus.	2,612.28	2,664.11	—2.01 %
DJ Util.	201.71	199.20	+1.26 %
DJ Trans.	976.66	989.42	—1.43 %
S & P 100	296.80	301.30	—1.49 %
S & P 500	311.32	316.83	—1.74 %
S & P Ind	367.10	374.63	—2.00 %
NYSE Co	171.03	174.15	—1.79 %
Britain			
FTSE 100	2,025.50	2,093.80	—3.26 %
FT 30	1,526.40	1,612.00	—4.68 %
Japan			
Nikkei 225	23,778.	24,877.	—4.49 %
West Germany			
DAX	1,446.57	1,554.07	—6.92 %
Hong Kong			
Hang Seng	2,931.86	3,062.04	—4.25 %
World			
MSCIP	446.50	467.80	—4.55 %

Money Rates

United States	Sept. 21	Sept. 14
Discount rate	7.00	7.00
Federal funds rate	8¼	7¾
Prime rate	10.00	10.00
Japan		
Discount	6.00	6.00
Call money	7 21/32	7¼
3-month interbank	8 13/32	8 5/16
West Germany		
Lombard	8.00	8.00
Call money	8.05	8.05
3-month interbank	8.40	8.40
Britain		
Bank base rate	15.00	15.00
Call money	14 15/16	14 15/16
3-month interbank	14 15/16	14 15/16

Gold	Sept. 21	Sept. 14	Ch'ge
London p.m. fix $	389.30	386.20	+0.80 %

World Index From Morgan Stanley Capital Int'l.

Polly Peck Faces Worst Crisis

Group Asks U.K. Inquiry Into 'Attack' on Chairman

Reuters

LONDON — Polly Peck International PLC, a conglomerate that ended the 1980s with its shares the best-performing in the world, is this week facing the worst crisis in its 10-year history.

Polly Peck had been plagued by rumors about its actions and its chairman, Asil Nadir, even before its share price plunged last week.

On Sunday, Polly Peck asked the British government to launch an official inquiry into the rumors.

"So intense and severe is the attack on the company and on myself that we, on our own, are unlikely to be able to find a fair hearing," Mr. Nadir said in a letter to the Department of Trade and Industry.

The letter continued, "Therefore the board of Polly Peck International PLC formally requests that the secretary of state appoint independent inspectors to investigate and report under the appropriate section of the Companies Act."

Mr. Nadir, an elegant and elusive Turkish-Cypriot businessman, was interviewed by detectives from the Serious Fraud Office on Thursday, after Polly Peck shares collapsed.

Trading in Polly Peck was suspended Thursday after the stock lost 55.5 percent of its value. Overall, the market value of the company's shares plunged from £1.05 billion ($1.94 billion) to less than £468 million.

The share price dived after a flurry of rumors — some groundless ones said that Mr. Nadir had been killed or arrested — and after the fraud police visited South Audley Management Ltd., an investment firm linked with Mr. Nadir's family.

Polly Peck's board issued a terse statement on Friday deploring attacks on Mr. Nadir. It promised a fuller statement this week.

The Turkish government came to Mr. Nadir's defense on Friday, asserting that Greek Cypriots were trying to smear his successes.

"We drew the attention of British authorities two weeks ago to a campaign to malign Asil Nadir and his company, led by Greek Cypriot lobbies," a senior Turkish government source said.

Mr. Nadir, 47, is a political ally of President Turgut Ozal and Polly Peck has built up press and industrial empires in Turkey.

The Turkish Foreign Ministry has asserted that Greek Cypriots have launched a campaign to malign Mr. Nadir in order to harm the breakaway Turkish Cypriot republic, where Mr. Nadir has extensive business interests.

"For some time there has been a groundless campaign to malign Mr. Nadir and his company in the Greek Cypriot press and some British newspapers," a Foreign Ministry spokesman said.

In 10 years, Mr. Nadir has transformed an obscure textile company into a powerful international conglomerate, making him Britain's 36th richest man.

Polly Peck's interests include tourism, the fresh-fruit operations of Del Monte and Sansui Electric Co. of Japan.

Polly Peck, which Mr. Nadir acquired for just £300,000, is the world's third largest distributor of fresh produce, benefiting from the more adventurous tastes of Western shoppers in recent years.

A £1,000 pound investment in Polly Peck in 1980 would have been worth £1.3 million pounds in December 1989, when the glamour share peaked.

The group's history has been troubled, and once in the early 1980s its shares lost a quarter of their value in 20 minutes. Good results restored its reputation.

Last month Mr. Nadir, who owns about 28 percent of Polly Peck, announced plans to take the company private, then abruptly dropped them prompting a scathing report by the London stock exchange.

Polly Peck ended the 1980s as the world's best performing share by multiplying its value by 1,300 times in a decade. In the last six weeks, however, the shares had fallen in value by roughly 75 percent.

GOVERNMENT SECURITIES FUND

Annonce de mise en paiement d'un dividende

Un dividende intérimaire de US$ 2,— par part sera mis en paiement à partir du 20 septembre 1990, contre remise du coupon nº 14 des certificats au porteur à la

BANQUE DE GESTION
EDMOND DE ROTHSCHILD LUXEMBOURG
20, boulevard Emmanuel Servais
L-2535 LUXEMBOURG

La part sera cotée ex-dividende en Bourse de Luxembourg à partir du 20 septembre 1990.

GENTLEMAN
GIVENCHY

56 RUE FRANÇOIS-Ier - 75008 PARIS

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, September 21.

			Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&W Bd			6200	25¼	23	24½	+1½
ABS	.32	4.6	107	7	6½	7	+ ⅛
ACC Cp	.16	2.4	1284	7½	6½	6⅝	– ½
ADC			2305	19¾	18½	18½	– ⅝
ADT	†		13578	29½	27⅞	28⅞	– ½
AEL			421	7¼	5¼	6½	+1
AEP s			153	9¾	8½	8½	– ½
ASK			5666	7¾	7⅛	7⅛	– ¼
AST			11598	19¾	18½	18¾	+ ⅜
AamRt	.10	1.1	1453	9	8½	9	+ ½
AbingB	.08i		64	3	2¾	3	+ ½
AbelLinc			37	2½	1⅞	1⅞	– ⅛
Acadin			3585	1⅞	1⅝	1⅞	
Accel	.20b	2.9	101	7¼	6⅞	7	+ ⅛
Acklaim			4243	8⅝	7⅝	7⅝	–1⅛
Acelo	.14b	1.2	236	11¾	11	11¾	+ ½
ACMT			153	12¾	12¼	12¼	
Acmt a			74	9	9	9	
AcmeSt			1200	15¼	14¾	15¼	– ½
ActARt			671	3½	2⅞	2⅞	– ¾
ActnSv	.16i		50	1¼	½	1	
Acxiom			928	18¾	17¾	18	– ¼
AdacLb	.04i		3929	1	⅞	⅞	
Adage			959	1	⅞	1	+ ⅛
Adapt			2533	14¼	12½	13¾	
Adaptst s			1818	15¾	14¾	15	+ ¼
AdiaSv	.16	1.0	398	17¼	16	16¼	– ¾
AdobeS	.24	1.1	28942	27	21½	22	–4¾
Adtec			886	3½	2¾	3¼	+ ½
AdvCir s			2278	7¾	6¼	7	– ¼
AdvRos			471	11¾	9½	10½	+1
AdvLoo			1611	8½	7½	7½	– ½
AdvMag			720	10	9¼	9¾	+ ¼
AdMkSv			119	3¼	2½	2½	– ½
AdvPoly			961	3¾	3⅜	3½	
AdvSem			260	3⅜	2⅞	3⅛	+ ⅛
AdvTel			1351	16½	15⅞	16	
Advanta	.12	1.3	1335	11	9	9½	–1¼
AdvoSy			2245	10¼	9¼	9⅛	–1⅛
Aequitr			816	3½	2½	2¾	– ½
Aegon	2.74e	4.3	810	66¼	63¾	63¾	–2¾
AerSysl			263	½	⅜	½	+
Aerovx			462	3⅞	3	3	– ¾
AflBcCp	.16i		133	1⅞	1⅜	1⅞	+ ⅜
AflBsh			600	9¾	9⅛	9⅛	– ⅜
AgncyR	.68i	6.8	1572	11	9⅞	10	– ⅞
Agnico g	.20	3.1	1566	6⅞	6	6½	+ ⅛
Agourn			102	7¼	6½	6¾	– ⅜
Alcorp			573	9¼	8¼	8¼	– ¾
AirMd			965	5¾	4⅞	5⅛	– ⅛

(Continued on next left-hand page)

هكذا من الاصل

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Banesto Finance	$100	perpt	½	100	—	Over 3-month Libor. Variable rate notes with fallback rates of 0.80 over Libor until 2000, 1% over from 2000 to 2010 and 1.40% over thereafter. Callable at par in 1995. Fees not disclosed. Denominations $10,000. (Merrill Lynch Int'l.)
BNP SA & Co. Deutschland	$200	2000	0.35	100	—	Over 3-month Libor until 1995 and 0.45 over thereafter. Callable at par in 1995. Fees 0.30%. Denominations $250,000. Lots participation certificates for Hokuriku Bank. (Goldman Sachs Int'l.)
Mitsubishi Bank	$900	2000	¼	100	—	Over 3-month Libor until 1995 and 0.35 over thereafter. Callable at par in 1995. Fees 0.30%. Denominations $100,000. Increased from $800 million. (Mitsubishi Finance Int'l.)
Okobank	$100	2000	0.225	100	—	Over 3-month Libor. Variable rate notes with fallback rates of 0.55 over Libor until 1995 and 0.65 over thereafter. Fees not disclosed. Denominations $10,000. (Merrill Lynch Int'l.)
ASLK-CGER	DM 50	2001	⅜	100	—	Over 6-month Libor until 1996 and 0.75 over thereafter. Noncallable. Fees not disclosed. (Trinkaus & Burkhardt)
Saskatchewan Province	DM 400	1997	0.20	100	—	Over 6-month Libor. Noncallable. Fees 0.35%. (CSFB Effektenbank)
Banesto Finance	ECU 50	perpt	½	100	—	Over 3-month Libor. Variable rate notes with fallback rates of 0.80 over Libor until 2000, 1% over from 2000 to 2010 and 1.40% over thereafter. Callable at par in 1995. Fees not disclosed. Denominations 10,000 ecus. (Merrill Lynch Int'l.)
British Airports Finance	Y 15,000	1996	0.10	100	—	Over 6-month Libor. Callable at par in 1994. Fees 0.25%. (Daiwa Europe.)
Fixed-Coupons						
Petroleos Mexicanos	$150	1993	11⅝	99.70	—	Noncallable. Fees 1⅞%. (Swiss Bank Corp.)
Ceskoslovenska Obchodni Banka	DM 350	1995	10	101	98.60	Noncallable. Fees 2%. (Deutsche Bank.)
Interfinance Crédit National	FF 500	1993	10¼	100¼	98.95	Noncallable. Fees 1⅝%. (Crédit Commercial de France.)
World Bank	ITL 300,000	1995	12⅛	101.45	100.00	Noncallable. Fees 1⅝%. (Istituto Bancario San Paolo di Torino.)
Crédit Local de France	ECU 100	1993	10⅜	100⅜	99.50	Noncallable. Fees 1⅝%. (Crédit Lyonnais.)
Crédit Local de France	ECU 50	1995	10¼	100⅜	—	Noncallable. Fees 1⅞%. (BIJ Int'l.)
World Bank	SK 400	1995	13⅜	101⅝	99.88	Noncallable. Fees 1⅞%. (Svenska Int'l.)
American Express Credit	C$ 100	1993	11¾	101.175	99.13	Noncallable. Fees 1⅞%. (Lehman Brothers Int'l.)
ICI Australia Finance	Aus$ 60	1993	14	101	99.65	Noncallable. Fees 1½%. (Hambros Bank.)
New South Wales Treasury Corp.	Aus$ 200	2010	zero	9⅛	8.30	Yield 12.72%. Noncallable. Proceeds Aus$18.3 million. Fees not disclosed. (Hambros Bank.)
Int'l Finance Co.	Y 10,000	2000	8	95	—	Coupon payable in Australian dollars. Noncallable. (Yamaichi Securities.)
World Bank	Y 30,000	1995	8¼	101.40	—	Noncallable. Fees 1⅝%. (LTCB Int'l.)
Equity-Linked						
Daiwa Kosho Leasing	$180	1994	4⅝	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,538 yen per share and at 138.10 yen per dollar. Fees 2⅛%. (Daiwa Europe.)
Mitsui Engineering & Shipbuilding	$330	1994	open	100	100.00	Coupon indicated at 5⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 26. (Nomura Int'l.)
Mutoh Industries	$100	1994	open	100	100.25	Coupon indicated at 5⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 26. (New Japan Securities Europe.)
Nippon Paint	$150	1994	4⅝	100	99.25	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 769 yen per share and at 138.10 yen per dollar. Fees 2⅛%. (Nikko Securities Europe.)
Sumitomo Heavy Industries	$340	1994	4⅝	100	99.25	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 697 yen per share and at 137.50 yen per dollar. Fees 2⅛%. (Daiwa Europe.)

Oil and Budget Depress Bonds

Buyers Seek Safety in Shorter Maturities, Boosting Bills

Compiled by Our Staff From Dispatches

NEW YORK — The yield on the U.S. Treasury's 30-year bond rose to its highest level in more than two years last week, and fears of oil-induced inflation and Washington's apparent lack of progress on a budget agreement could keep upward pressure on rates, analysts said.

The only area of strength in the credit markets last week was the short end, as investors worried about the Middle East situation and the health of the U.S. banking system put their money into Treasury bills, analysts said.

William V. Sullivan Jr., senior vice president at Dean Witter Reynolds, attributed the weakness of Treasury bonds "to the Street's rush toward quality and liquidity, a trend that always favors the shorter issues over the longer maturities."

The Gulf crisis and the resultant inflation fears have caused many institutional investors to shorten the fixed-income maturities in their portfolios in recent weeks.

Those fears were fanned Friday as light sweet crude for November delivery jumped $2.01 on the New York Mercantile Exchange to $35.43 dlrs.

On Friday, the Treasury's 8.75 percent bonds maturing in August 2020, were offered at 96 6/32, down 28/32 on the day. The 9.12 percent yield — up from 9.03 percent the day before and 9.01 percent a week earlier — was the highest since June 1988.

"People were more comfortable going into this weekend with short positions," said Doug McAllister,

U.S. CREDIT MARKETS

vice president at Prudential-Bache Securities Inc.

The rise in rates also matched the global trend last week.

The Treasury's 8.75 percent notes maturing in August 2000, dropped 15/32 Friday to 98 18/32, for a yield of 8.97 percent, up from 8.86 percent a week ago. Over the week, the yield on Japan's 10-year bonds, their longest maturity, jumped to 8.60 percent from 8.42 percent. West Germany's 10-year long bonds yielded 9.03 percent, up slightly from 9.02 percent a week ago.

The rise in German and Japanese rates in recent months has made it more difficult for the United States to attract foreign capital and has increased pressure for a deficit-cutting agreement.

Last week's talks produced little progress, however. By law, if a budget accord is not reached by Oct. 1, $105 billion in spending cuts are set to go into effect Oct. 15.

"The federal budget negotiators are at an impasse, leading to market-unsettling proposals to delay the Oct. 1 Gramm-Rudman spending reductions," wrote Philip Braverman in DKB Securities Corp.'s weekly report on the credit market.

James Capra, senior vice president at Shearson Lehman Government Securities Inc., said he was "convinced there will be a budget agreement," but not until just before the Oct. 1 deadline.

In any event, the trend toward shorter maturities supported Treasury bills. The discount rate on 90-day bills fell two basis points, or hundredths of a percentage point, to 7.37 percent; six-month bills rose three basis points to 7.35 percent, and one-year bills slipped one basis point to 7.24 percent.

Fears about the banking system helped drive down T-bill rates, dealers said. Chase Manhattan Corp. on Friday said it would set aside $1 billion in the third quarter to bolster its provisions for loan losses, especially on real estate, and to cover a restructuring that will cost 5,000 jobs.

Despite the worries, Morgan Guaranty Trust Co. issued $100 million of noncallable three-year notes, rated triple A. The 8.5 percent notes were priced to yield 8.538 percent by Lehman Brothers.

(NYT, Reuters, UPI)

Czechoslovakia Affirms Plan to Sell Industries

Reuters

WASHINGTON — Czechoslovakia's finance minister said the government intends to push ahead with a plan to privatize its industry by giving away vouchers for shares in state companies to all its citizens.

The minister, Vaclav Klaus, told a news conference that the government wanted to sell off state-owned companies rapidly to build a market economy to replace central planning.

"We really mean to privatize most state firms," he said. Mr. Klaus was in Washington for next week's annual meeting of the International Monetary Fund and World Bank.

The government next week will discuss plans to sell off small businesses such as shops and restaurants, and hopes to push the scheme through parliament a week later.

Next month will see discussions of a more controversial program for selling off large-scale industry.

Mr. Klaus said he hoped both privatization schemes would get under way by the end of this year.

Czechoslovakia has no alternative to the voucher scheme, which would distribute rights to new shares to everybody for a nominal price, he said. The public does not have enough savings to buy the companies and the government wants to move quickly, selling off a huge chunk of industry.

"The vouchers will be a vehicle for the transformation of property rights," he said. "It seems to us the only way out."

State-run companies are being changed into joint-stock companies, with shares owned by the state. People would be able to exchange their vouchers for these shares.

The whole process would require the creation of a stock exchange, which Prague is discussing with various western experts including the International Finance Corp., the private-sector affiliate of the World Bank, which Czechoslovakia joined on Saturday.

Mr. Klaus said the recent oil shock would complicate the government's plans because citizens would be unable to distinguish between the hardship caused by the transition to a market economy and that caused by higher oil prices.

Under the communist regime ousted peacefully last November, Czechoslovakia had nationalized more of its economy than any other state in the former Soviet bloc.

Mr. Klaus said he envisaged the state selling 70 percent of the economy initially and keeping 30 percent. The exact proportions will be settled by parliament.

Wall Street Sees Risks Over Morgan

Compiled by Our Staff From Dispatches

NEW YORK — The Federal Reserve's historic decision to allow banks into the profitable arena of underwriting stocks offers hope for the beleaguered banking industry but adds new worries for a depressed Wall Street.

Securities industry executives played down any immediate competitive threat, but they said the Fed's action needlessly put bank depositors and the industry at risk at a time when banks were already strained. And Wall Street, suffering its own profitability woes, plans to take these concerns to Washington.

"Congress will find this, frankly, shocking," said Robert N. Downey, chairman of the Securities Industry Association. "It's adding a new element of risk into institutions that are insured by the taxpayers, and in the past that has gotten them into trouble."

The U.S. central bank on Thursday allowed a subsidiary of J.P. Morgan & Co. to underwrite and deal in equity securities.

"The Fed's decision was an obituary for the Glass-Steagall Act," which has separated commercial and investment banking since the Depression, said Robert Reich, professor of political economy at Harvard University.

Other banks already have expressed an interest in equities underwriting including Bankers Trust of New York, Citicorp, Chase Manhattan and Security Pacific.

Mr. Downey said his association's main concern is whether sufficient "fire walls" can be erected between the deposit-taking functions of commercial banks and underwriting activities.

"I don't mind competing with Morgan bank if the fire walls are high enough," he said. "But my concern is that the Fed is talking about weakening the fire walls at a time when they are more important than ever, given the experience of the savings and loan industry and all the banks that are now in difficulty."

His concerns were echoed by Representative Henry B. Gonzalez, chairman of the House Banking Committee. "It is irresponsible for the Federal Reserve — under any rationale — to willy-nilly add massive new risks to the banking system at a time when the taxpayer-supported insurance fund is strained to the limit," he said.

Regulators say government-insured deposits won't be abused because the securities affiliates must operate with separate management and capital to protect the rest of the bank from the risks of stock trading.

Wall Street executives said they did not fear a loss of business to Morgan because the bank is not allowed to derive more than 10 percent of its underwriting revenues from corporate securities.

"We don't look at this as awesome or earthshaking or anything other than having one new competitor," said James E. Cayne, president of Bear, Stearns & Co.

Still, the decision is important because underwriting corporate securities is one of the few businesses on Wall Street where price competition remains minimal.

"This is another example of the banks getting increased powers without the securities industry getting anything," said Donald B. Marron, chief executive of Paine Webber Inc.

"Nowhere in these discussions is the sense that if banks get securities powers, the securities industry gets bank powers," he said. "And that seems to be the heart of the issue right now. We are replacing Glass-Steagall by small pieces and with no formal process, and I don't think that's the best way to do it."

(NYT, Reuters)

Bank Capital Increase Means Dividend Fall

By Floyd Norris

New York Times Service

NEW YORK — "Every banker knows that if he has to prove that he is worthy of credit, however good may be his arguments, in fact his credit is gone."

Much has changed since Walter Bagehot wrote those words more than a century ago in his classic study of the British banking industry, "Lombard Street."

In these days of deposit insurance and the "too-big-to-fail" doctrine, banks can endure long after their credit is questionable.

But in some ways, most notably in dividend policies, most of the big banks continue to act as if the world had never changed.

Chase Manhattan Bank kept insisting there was no problem with its dividend right up until it slashed it on Friday, as it said losses on commercial real estate loans were escalating.

It is to be hoped that Chase's move will set a precedent for the other banks — large and small — whose capital positions are less than secure, even if they are in compliance with federal regulations.

The people who run the big banks have feared that cutting the dividend would be a sign of financial weakness, as if their deteriorating stock prices had not already shown that investors had figured that out.

Chase's dividend reduction will save the bank $162 million a year in capital that would otherwise have been paid to stockholders, but it still will be paying out $152 million in dividends.

It is hard to know just how much the banks are hurting.

What is clear is that with a recession looming, the banks can use additional capital.

Shareholders may not like the idea immediately, but they would benefit in the long run from a halt in dividends that preserves needed capital.

EUROBONDS: *Few Buyers for Czech Bank's Note*

(Continued from first finance page)

points, raising the yield to 10¼ percent — a spread of 1¼ points over German government rates.

In the floating rate market, Banco Español de Crédito offered two series of variable rate notes via Banesto Finance, one for $100 million and another for 50 million European currency units. The proceeds from these subordinated perpetual notes will be used to boost the bank's supplementary capital.

Interest on both is initially set at ½-point over the three-month interbank rate. Every three months Banesto and lead manager Merrill Lynch undertake to set a new market-clearing margin and holders have the option to refuse that rate and request redemption.

However, investors lose this redemption option if Banesto and Merrill fail to agree on what the margin should be. In that case, there is a pre-determined fall-back rate — a spread of 80 basis points over Libor for the first 10 years, 1 percentage point in the next 10 years and 1.4 percentage points thereafter.

While this variable rate formula has been fairly widely used, critics contend that the formula only provides the illusion of liquidity. They argue that the redemption option is unlikely to be available when holders want to get out as that is likely to be the time when issuer and manager cannot agree on a margin and the fallback rate is in effect.

The Province of Saskatchewan issued 400 million DM of seven-year notes with interest floating at 20 basis points over Libor. The margin was considered high by bankers, who said it reflected tightening liquidity in the market.

In addition, investors appear to be holding back awaiting the next FRN from the East German Staatsbank, which is expected to total some 10 billion DM. Its past issues have been marked at a spread of only five basis points over the interbank rate, deemed a very attractive yield as the paper will be guaranteed by West Germany after next month's unification.

The only issues generating an enthusiastic response last week were the World Bank's five-year notes in yen and Italian lira. In response, both issues were increased. The 30-billion-yen issue was priced at 101.40 bearing a coupon of 8¼ percent and the 300-billion-lire issue carried a coupon of 12⅛ percent and a premium price of 101.45. By contrast, the bank's issue of 400 million Swedish kronor did not get a warm reception — a mark of the disillusion of foreign investors with the krona's performance.

HAHN: *Building Volkswagens and Germany Unity*

(Continued from first finance page)

570,000 in 1970, when VW was synonymous with imports and Japanese cars were the butt of jokes. With Japanese competition fierce and the Deutsche mark strong, Volkswagen is finding it far tougher than expected to claw its way back in a land that loved the VW Beetle.

In Europe, Volkswagen may soon face an all-out assault from Japan's efficient car makers. Toyota and Honda are building assembly plants in Britain to join Nissan there. And the European Community's plan for a barrier-free market could end quotas on Japanese cars, spelling more trouble for European auto makers.

"If they haven't learned any lessons from the United States, the Japanese are going to clean their clocks in Europe," said George Peterson, president of Auto Pacific, a Los Angeles-based consulting firm.

At the moment, however, Mr. Hahn is concentrating on East Germany. Even there, his grand designs could run into problems. The 6,500 workers planned for the Mosel plant will need huge amounts of retraining because they will be hired from the nearby Trabant plant, a soot-covered relic.

Workers there rely on antiquated techniques; they often use hand wrenches and push car frames along the assembly line by hand.

And with growing fears of overcapacity in Europe's auto industry, there is no guarantee that there will be a market for the plant's small Golfs and Polos.

Some industry analysts question whether Mr. Hahn's plunge into East Germany has been swayed too much by emotion and other non-business factors.

"VW is under a lot of pressure from the government to contribute in East Germany," said Karl Ludvigsen, an auto analyst who runs a London-based consulting firm. consulting firm. "Sometimes I think their activity there is more political than business."

Mr. Hahn said that Volkswagen's East German strategy, involving a total of $3 billion in investment, made perfect business sense. "I don't think it is a risky investment for a company that is short of capacity," he said.

Last year, Volkswagen edged Fiat by a fraction of a percent to capture the lead in auto sales in Europe, its fifth straight year as No. 1. This year, with West Germany's economy booming, Volkswagen is far out front in sales and cannot keep up with demand.

Carl Hahn, the Volkswagen chairman, is increasingly viewed as the foremost economic unifier of Germany.

"We figure that there are 16 million East Germans and that they will buy 750,000 new cars a year," said Mr. Hahn, who expects to capture at least a one-third of that market.

Volkswagen has a 33 percent share of West Germany's car market, and Mr. Hahn says its strength in moderate-priced cars should win it an even larger share in poorer East Germany.

Mr. Hahn also says that Volkswagen needs to make itself a force again in the United States, where it has a 1.6 percent market share, if it is to be a truly global concern.

Volkswagen's problems with Japanese competition in the United States could well be a prologue for the future battle in Europe. Nissan, Toyota and Honda will soon increase production capacity in Europe by 800,000 cars a year, while European demand is expected to fall to 13 million cars this year, down 3 percent from last year's record.

In addition, in removing international trade barriers, the European Community plans to end national quotas on Japanese cars.

But Volkswagen, many analysts say, is in the best position among European car makers to defend itself. The Japanese have far less penetration in Germany than in any other European country without quotas, which partly reflects Volkswagen's competitiveness. In addition, Volkswagen relies far less on its domestic market than Renault, Peugeot and Fiat, which dominate their protected markets.

"Volkswagen has the broadest base of the European producers, and it has had a very strong marketing drive the past two or three years," said Adrian Brundrett, a Frankfurt-based analyst with the Bank of Liechtenstein.

Despite Volkswagen's robust position, Mr. Hahn says the European Community should impose a Community-wide quota on Japanese imports for several years after 1992 to allow Europe's car makers to become more competitive before the Japanese enter in full force.

Mr. Hahn has sought to cut Volkswagen's annual costs by $600 million, with the goal of an 8 percent pretax return on profits.

Despite last year's record earnings of $630 million, Volkswagen's pretax return was 5 percent, below his goal and the levels of most European auto makers.

That could be one of the few goals Mr. Hahn fails to achieve.

His retirement is scheduled for the end of next year, but in Wolfsburg many people are asking whether he won't be tempted to stay on as chairman to carry out his plans in the East.

"There is a temptation, but it is not my intention," he said. "I am very optimistic that the world doesn't depend on me."

G-7: *Dollar Is Seen Falling Further*

(Continued from page 1)

next month. Mr. Chertkow sees a cut of a full percentage point within three months.

By contrast, Japanese and European rates are likely to rise, or at best remain stable.

Under these conditions, "it's difficult to see the dollar not declining further," said Mr. Walter of Deutsche Bank. Like the other analysts, he expects most of the dollar's coming weakness to be seen against the yen rather than the Deutsche mark.

He allows that an agreement in Washington to cut the U.S. budget deficit "would make life easier" in enabling the Fed to ease rates without hurting the dollar, but he doubts whether a meaningful cut is possible before the mid-term elections in November.

Mr. Walter also suspects that Washington is not averse to seeing the dollar decline further as a cheaper dollar makes U.S.-made products more price competitive on world export markets. But he cautions that a policy of benign neglect about the dollar's exchange rate "could be ill-advised therapy.

"In the short-term, exchange rates do work. But countries who allow their currencies to devalue are not, in the long-term, the most competitive internationally."

Mr. de Vries acknowledges that the dollar is now at "very competitive levels." But he is not overly concerned about a further retreat, provided it is "orderly," because an easing U.S. monetary policy dictates a weaker exchange rate.

The danger he sees is whether policy makers are correct in analyzing the recent rise in the price of oil as a temporary phenomenon, thereby justifying an easier monetary policy.

"The presumption is that the oil price hike is temporary, and that in a year from now the price will be much lower."

The question of price is essential, he adds, because "if you ease monetary policy today the effect will be felt a year from now."

The danger with a substantial easing in rates is that in a year's time, the U.S. economy could get a blast from both the lower price of oil and easier credit policy that could ignite inflation. Or the economy could get a severe kick if the price of oil remains high and policy hasn't been eased fast enough.

Bank of Japan Doesn't Plan New Rate Hike

Reuters

WASHINGTON — The Bank of Japan has no plans to increase its discount rate again, but it will continue to pursue a tight monetary policy, a senior central bank official said Sunday.

"We will keep following the present monetary policy, namely the tight one, to help counter inflationary pressures stemming from rising oil prices," said the official, who spoke on condition that he not be named.

On Friday, the Bank of Japan governor, Yasushi Mieno, said he had "no intention of raising the discount rate at this very moment."

Speaking in New York, Mr. Mieno said the central bank was still monitoring the effects of the last discount rate rise on the economy. On Aug. 30, the bank raised the rate it charges on loans to banks by 0.75 percentage point to 6.0 percent.

The senior official underscored the concern about inflation in referring to a communiqué issued Saturday by the Group of Seven major industrial nations. It said rising oil prices triggered by Iraq's invasion of Kuwait has posed a risk of inflation and lower growth.

GROWTH: *G-7 Sees Expansion*

(Continued from first finance page)

that the finance ministers and central bank governors "consider that stability-oriented monetary policies and sound fiscal policies constitute the correct policy response."

[On Sunday, the Group of 10 industrial nations, made up of the members of the Group of Seven plus Belgium, the Netherlands, Sweden and Switzerland, echoed this recommendation for dealing with the latest oil price shock, Reuters reported.

[Saudi Arabia's finance minister, Sheikh Mohammed Ali Abalkhail, told a meeting of Group of 10 ministers that there was "no reason for oil prices being as high as they are" given the current supply picture, according to the West German finance minister, Theo Waigel.]

Sources said that Mr. Brady, who had been pressuring the Federal Reserve Board to lower U.S. interest rates prior to the eruption of the Gulf crisis, had resisted a push from European members for a flat statement that it would be bad policy, now, to respond to the crisis with lower interest rates.

Instead, the communiqué used the oblique phrase "stability-oriented" moves, which suggests that attention will be given to inflation control. But it enabled Mr. Brady, at a press conference, to insist that he would stick to his prior policy of urging the Fed to lower interest rates, in conjunction with a budget agreement to reduce the federal deficit.

"It doesn't change anything I've said before" about the Fed, Mr. Brady said. He insisted that the two risks mentioned in the communiqué were of equal importance, "and government's job is to manage between those two risks."

The communiqué "encouraged the United States to bring budget negotiations between the White House and congressional leaders to a prompt and successful conclusion in order to make meaningful and lasting reductions in the fiscal deficit." Mr. Brady said "that was a strong statement on their part."

The communiqué also endorsed the efforts of the World Bank and the IMF to pump financial help into Third World countries affected by the Gulf crisis, especially for the so-called "frontline" states of Jordan, Turkey and Egypt, caught in the economic crunch resulting from the worldwide economic embargo of Iraq.

But the group, in an unexpected move, urged both institutions to expedite the use of their subsidized resources in this crisis.

In another surprise move, the group specifically and brusquely told Brazil "to resolve" the issue of its overdue interest payments to the IMF before expecting to get a new loan from the agency.

This represents a victory of sorts for commercial banks that have complained the IMF has been ignoring their complaints on this issue.

Euromarts At a Glance

Eurobond Yields

	Sept.19	Sept.12
U.S. $, 8 yrs & over	9.43	9.39
U.S. $, 5 to 7 yrs	9.22	9.21
U.S. $, less than 5 yrs	8.65	8.67
Pounds sterling, less than 5 yrs	13.42	13.33
French francs, less than 5 yrs	10.70	10.62
Ital. lire, less than 5 yrs	12.90	12.92
Danish kroner, less than 5 yrs	10.87	11.98
ECU, 8 yrs & over	10.56	10.46
ECU, 5 to 7 yrs	10.49	10.35
Can. $, less than 5 yrs	11.70	12.01
Aus. $, less than 5 yrs	14.10	14.08
N.Z. $, less than 5 yrs	13.41	13.76
Yen, 5 to 7 yrs	7.94	7.93
Yen, less than 5 yrs	8.14	8.07

Source: Luxembourg Stock Exchange.

Weekly Sales

Sept. 20

Primary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	36.50	145.30	1,295.40	1,848.40
Convert.	0.50	—	39.50	—
FRNs	3.00	73.70	159.00	297.10
ECP	5,573.40	1,461.80	8,643.70	3,116.90
Total	5,613.40	1,900.80	10,137.80	4,462.40

Secondary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	4,464.90	8,318.20	11,928.20	10,759.60
Convert.	163.70	634.90	554.10	428.00
FRNs	1,731.30	959.40	3,963.90	3,594.70
ECP	4,253.50	3,011.60	2,508.70	3,994.20
Total	10,613.40	12,924.10	18,954.80	18,776.50

Source: Euroclear, Cedel.

Libor Rates

Sept. 21

	1-month	3-month	6-month
U.S. $	8 5/16	8 5/16	8 5/16
Deutsche mark	8 5/16	8 7/16	8¾
Pound sterling	14 15/16	14 15/16	14⅝
French franc	9 15/16	10¼	10½
ECU	9⅞	10⅛	10 7/16
Yen	8 7/16	8 7/16	8 11/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Treasury Bonds

Sept. 21

Maturity	Close Bid	Ask	Yield	Wk-ago yield
31.08.92	100	100 2/32	8.12	8.02
15.08.93	99 9/32	99 11/32	8.28	8.24
30.06.94	100 2/32	100 4/32	8.47	8.40
15.11.95	99 18/32	99 20/32	8.59	8.50
15.07.97	98 7/32	98 9/32	8.85	8.75
15.08.00	98 16/32	98 18/32	8.98	8.87
15.02.06	101 26/32	101 30/32	9.15	9.05
15.08.20	96 6/32	96 8/32	9.12	9.02

Source: Salomon Inc.

TO OUR READERS IN GERMANY

It's never been easier to subscribe and save. Just contact us at our Frankfurt office. Phone: (069) 69 48 92 Fax: (069) 69 48 94

WALL STREET REVIEW

Figures as of close of trading Friday, September 21.

NYSE Sales

	Vol.	High	Low	Last	Chng.
GenEl	130410	59¾	53⅝	55⅞	—3⅛
PhilMr	113375	46¼	44⅛	44⅝	
PepsiC s	108828	24½	21⅞	22¼	—2½
IBM	82083	109¼	104½	106⅝	+2⅜
FdNM s	77780	29¼	25	26¼	—3⅛
Exxon	75611	51⅞	50½	51¼	— ⅛
WalMt s	73630	27⅝	26	26⅞	
Chase	73114	16¼	12¾	12⅝	—3⅞
Waste s	69881	35¼	33	33½	— ¾
Boeing s	68791	46	43	43¼	—2⅞
Merck	66522	80½	75⅛	75⅝	—4⅝
GnMotr	66357	37⅞	35⅞	36⅝	— ⅞
EKodak	64673	42¼	40	41¼	+1
AT&T	63749	31½	30¼	31⅝	+ ⅝
Citicorp	61992	17¾	15⅝	15¾	—1½
OcciPet	57477	23⅝	20¼	21⅜	—1⅛
BrMySq	54546	60⅝	56½	57¼	—2¼
CocaCl s	54025	41½	37¾	39⅛	—1⅛
AGnCp	53649	40⅝	31½	32⅛	—7¾
AmExp	53350	23⅝	22	22⅝	— ⅛
Limitd s	52096	15⅝	13⅞	14⅜	— ¾
Primco	50211	26⅛	20⅞	20¾	—5¾
Digital	46472	57½	51⅞	52⅞	—3½
AbtLab s	45461	42	38	38¾	—1½
GTE s	44424	25⅞	24⅞	25¼	+ ⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
FruitL	20421	9⅞	8	8¾	—1⅛
PW Nk pwt	19477	9¾	8½	9	+ ⅜
ENSCO	18411	4	3½	3⅞	+ ¼
SNk 193wt	17048	19⅛	17¾	18⅞	+1⅜
Dk Nk wt	13258	19⅞	18⅝	19⅛	+1¼
EksNk wt	11738	9⅜	8⅝	9	+ ⅛
ContAir	11340	5½	4⅞	5¼	+ ¼
BAT In	11289	10⅝	9⅝	9⅝	— ⅞
Amdhl	10971	12½	11½	12	— ¼
Intrmk	9711	3⅝	3	3⅛	+ ⅛
SFT 593pwt	9883	4⅝	3⅛	4¼	+1
DowC rt	9714	7⅛	6½	7	+ ⅛
Hilhav n	9656	1½	1⅜	1½	
SFT 393pwt	9207	5⅝	4⅞	5½	+ ⅛
SalPhb n	8805	4⅛	3¾	3¾	— ¼
EchoBy	8676	13⅝	12⅝	12⅛	— ⅛
TubMex	8324	6⅝	5⅞	6¼	+ ½
SNk f93wt	8019	20	18¾	19⅞	+1⅛
9T Nk wt	6862	52¾	48	50⅝	+4⅛
WangB	6675	3⅞	3¼	3½	+ ⅛
A-att2 sc	6097	6⅛	6	6½	
PamHd n	5932	6½	5	6⅝	
NY Tim	5626	19½	17⅝	18⅛	—1¼
A-ge sc	5526	7⅞	6¼	6¾	— ⅞
AExpl	5017	4½	4⅛	4¼	

NYSE Most Actives

	Sales Vol.
Total for week	745,410,000
Week ago	619,600,000
Year ago	695,470,000
Two years ago	701,160,080
Jan 1 to date	28,876,209,000
1989 to date	30,677,520,000
1988 to date	31,135,410,000

AMEX Sales

	Sales Vol.
Total for week	56,000,000
Week ago	49,350,000
Year ago	54,970,000
Jan 1 to date	2,537,559,000
1989 to date	2,239,840,000

NYSE Diaries

	This Wk	Last Wk
Advanced	520	669
Declined	1380	1200
Unchanged	277	292
Total Issues	2177	2161
New Highs	40	28
New Lows	506	370

AMEX Diaries

	This Wk	Last Wk
Advanced	225	298
Declined	565	459
Unchanged	190	216
Total Issues	980	973
New Highs	21	5
New Lows	171	182

INTERNATIONAL BusinessWeek

This week's topics:

- 500 Days: Will Soviet Reform Work?
- The Credit Squeeze On U.S. Bankers
- Recession Hits The White-Collar Crowd
- Japan's End Run Around Free Trade
- Global Finance: The Shaken Markets

Now available at your newsstand!

BusinessWeek International
14 av d'Ouchy, CH-1006 Lausanne, Tel. 41-21-617 4411
For subscriptions, call toll-free:
France 19-0590-8514 and UK 0800/289137

Distressed Securities: A Hot Market for the '90s

By Diana B. Henriques
New York Times Service

NEW YORK — Some people love inefficient markets, those murky bazaars where most investors have no idea what a particular security is worth and where their uncertainty produces vast differences between what buyers will pay and what sellers will demand for that piece of paper.

In the 1980s risk arbitrageurs made money trading in takeover stocks, hoping to have guessed correctly about how the deals would turn out.

But the hottest playground for the inefficiency fans in the 1990s is the emerging marketplace for distressed securities.

And one of the most popular sports being played there is what one institutional investor calls "the endgame," the hectic and often uninformed trading in the stocks and bonds created in the final stages of bankruptcy negotiations.

It is a place of eye-popping bargains for the astute — and enormous dangers for the uninformed.

A case in point is Resorts International Inc., whose new post-bankruptcy securities began trading last week.

"Just watch what happens in the 'endgame' with Resorts," said Hubert M. Stiles Jr., executive vice president of T. Rowe Price Recovery Fund Associates, a Baltimore-based partnership that has profited handsomely by investing in distressed securities.

"There are huge imbalances right away, because almost everyone is a seller. So the arbitrageurs will buy cheap and then wait. It's a free-for-all for them."

The Resorts International saga began when the company was caught recently in a tug-of-war between the entertainer, Merv Griffin, and the developer, Donald J. Trump.

Mr. Griffin got control of Resorts. Mr. Trump got the company's unfinished Taj Mahal casino, and the creditors of both men got a rude awakening, as Mr. Trump fell prey to chronic cashlessness and Resorts International was forced to seek bankruptcy court protection in December 1989.

Then the squabbling continued under the eye of the bankruptcy judge, as Resorts bondholders and creditors bickered over who should get how much of what sort of claim on whatever profits the company might achieve someday.

That wrangling, too, has finally ended, with Resorts bondholders being given a curious collection of securities that, in addition to common stock, includes two sets of "payment-in-kind" notes, which pay interest in the form of additional notes.

The package also included so-called "Showboat notes," which are secured by the rent Resorts collects on land it leases to the Showboat casino hotel in Atlantic City, New Jersey, and, strangest of all, an instrument called a litigation trust unit, which gives the holder a stake in the outcome of a proposed lawsuit against Mr. Trump, based on the prior battle for control of the company.

Last week, it was the market's turn to decide what all those new pieces of paper will be worth when they are officially issued.

The common stock, the most familiar card dealt to the bondholders, opened the week at $2.25 and closed on Friday at $1.50 a share; the "lawsuit note" issue, the joker in the deck, has not yet gotten regulatory approval to trade and its value can only be guessed at.

As for the other securities, the smart sellers were those who waited. Early in the week, the gap between the bid and ask quotes for the "payment-in-kind" notes was vast.

Buyers were offering just $40 for the notes, and sellers were demanding $60, said Carl Vaicek, an executive vice president at R.D. Smith & Co., a leading research and brokerage firm specializing in the distressed securities market.

By the end of the week, the quoted spread had narrowed considerably, with sellers being offered as much as $57 for the "payment-in-kind" notes that had drawn bids of just $40 apiece a few days before.

Meanwhile, savvy buyers have been scooping up the "Showboat" notes, which Mr. Vaicek called "a great piece of paper" that is pegged to the consumer price index and offers the security of the lease payments.

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Amsterdam stocks remained on a downtrend amid worries about the Middle East and continued increases in oil prices

Institutional and private investors tended to stay on the sidelines and total turnover was a thin 5.9 billion guilders, of which 2.7 billion was in equities. A week earlier volume was 6.6 billion guilders with 2.4 billion in equities.

The only major new development of the week was an announcement by the British brewer Scottish & Newcastle PLC of plans to bid 80 guilders per share for the 25.1% of the leisure company Center Parcs that it does not already own.

The CBS all-share index closed the week at 175.90, down from 181.30 the previous Friday.

The Kempen & Co. brokerage said the market will continue to decline over the next few days.

Frankfurt

Frankfurt stocks fell sharply and dealers warned that the losses were likely to continue this week.

The DAX spot trend indicator finished the week down 6.92 percent at 1,446.57 points. The Commerzbank indicator, down 8.5 percent at 1,754.3 points, has shed 25 percent since mid-July.

Selling orders from abroad were largely behind the current drop, with West German investors preferring to hold onto their stocks in this troubled period.

But rising oil prices, which hit new records this past week, were also an influence.

Volume on the eight West German exchanges was only 24.31 billion Deutsche marks, against 29.80 billion DM the previous week.

Chief losers included Daimler-Benz, down 51 DM to 635; Volkswagen, down 55.50 to 393, and VEBA, down 33.30 to 304.

In banking, Commerzbank lost 15 DM to 242.50 and Dresdner 16 to 383. Deutsche Bank was the exception, gaining 2 to end the week at 621.

In the bond market, depressed by events in the Gulf, the average yield on government issues rose to 9.13 percent compared with 9.07 a week earlier.

Hong Kong

Share prices fell sharply during the week, with the key Hang Seng Index losing 130.18 points, or 4.3 percent, to close Friday at 2,931.86.

Average daily turnover shrank to 498 million Hong Kong dollars from the previous week's 585 million dollars.

The market began the week on a negative note, with the key index falling 42.17 points, and never quite recovered, dealers said.

They said the market continued to mirror performances on overseas bourses with an absence of fresh incentives brought about by the standoff in the Gulf.

London

Worries over domestic and world recession reached near-panic proportions this past week, with equities losing about 3.3 percent of their value.

The Financial Times-Stock Exchange 100 share index ended the week down 68.3 points at 2,025.5, the lowest level since February 1989. The FT-30 share index of top stocks lost 72.3 points or 4.5 percent, closing Friday at 1,537.3.

Concerns over British corporate health were suddenly concentrated Thursday on Polly Peck International. A series of unsubstantiated rumors ranging from the death of its chairman and chief executive, Asil Nadir, to the group's imminent bankruptcy cut the stock's value in half within hours.

The subsequent suspension of trading in the stock at company request did nothing to calm a jumpy market, which went on to register one of its biggest daily falls of the year.

Mounting tension in the Gulf and climbing crude oil prices, growing signs of banking sector difficulties in the United States and Japan, and a recessionary domestic outlook have combined to wipe 14 percent off shares since Aug. 1.

The pound also suffered a new crisis of confidence after comments from Prime Minister Margaret Thatcher and the Bundesbank president, Karl Otto Pöhl, dampened hopes of an early entry into the Exchange Rate Mechanism of the European Monetary System.

Shares hit a new low for the year as early as Tuesday, led down by Wall Street after a fresh climb in oil prices and a drastic U.S. trade deficit figure.

Milan

Milan stocks took a whipping, as the MIB index ended the week at the year's low at 818, down 8.40 percent for the week.

Dealers said trading was thin and nervous, as the market continued to suffer from fears about the Gulf crisis and worries about the size of the Italian budget deficit.

Among the week's big losers were Fiat, down 9.48 percent, Montedison, off 11.08 percent, and Olivetti, 8.80 percent lower.

Paris

The Paris Bourse was a loser again, keeping step with other downtrends in other world markets on worries about the Gulf crisis, higher oil prices and the slumping U.S. economy, dealers said.

The CAC 40 index lost 4.4 percent on the week to end at 1,543.53, making a total drop of 22.9 percent since the start of the year and almost 21 percent since Iraq's invasion of Kuwait on Aug. 2.

Another factor depressing the Bourse this past week was disappointing half-year earnings reports by some groups in the United States and France. The Bourse keeps a close eye on U.S. economic prospects because of the importance to many French firms of American business.

The French Financial Analysts Association said that French business earnings should be up by only 9 percent this year, and 7 percent next year. As recently as March, it had forecast a 15 percent rise in French company profits this year.

Dealers said that the result of all this was that there was little buying interest on the market, even though many French stocks are at cut-rate levels at present.

Singapore

Share prices on the Singapore market fell sharply in thin trading as worries over the Gulf situation, rising oil prices and an impending global recession weighed on investor sentiment.

The Straits Times industrial index lost 78.44 points, or 6.4 percent, in lackluster trading to end the week at 1,148.39. The broader Stock Exchange of Singapore all-share index fell 20.53 points to 326.23.

The across-the-board fall followed heavy losses the previous week on Wall Street and in Tokyo. Dealers said institutional investors kept on the sidelines as pessimism reigned over the ailing American economy.

Turnover for the week fell about 22 percent to 189.1 million shares worth 314.1 million Singapore dollars, compared to 241.1 million shares valued at 369.3 million dollars a week earlier.

Average daily turnover was 37.8 million shares valued at 62.8 million dollars.

The most active stock during the week was UIC Rights with more than 16 million shares traded.

Tokyo

Share prices on the Tokyo Stock Exchange plunged this past week amid fears of higher interest rates and mounting oil prices.

The Nikkei Stock Average ended the week at 23,777.83 Friday for a hefty 4.8 percent weekly loss. The Tokyo Stock Price Index of all stocks listed on the market's major section shed 125.91 points to close at 1,769.77, after rising 49.75 points the previous week.

With uncertainty from the Gulf situation lingering and bond prices falling, many institutional investors stayed away from the markets throughout the week.

Trading was extremely thin, with average daily turnover falling from the previous week's 476.96 million shares to 387.04 million. The daily average value of stocks traded dropped from 581 billion yen to 493.6 billion.

Zurich

The Zurich market remained on a downtrend, with stocks falling every day of the trading week, for a total of about 4 percent.

The indicators fell to their low points of the year, the Swiss Performance Index ending the week at 949.5 points, compared with 991.3 the previous Friday. The Credit Suisse indicator finished at 512.1 against 534.4, and the Swiss Bank Corp. index at 543.5 against 565.

Dealers said they did not expect any better trend this week.

BUSINESS BRIEFS

Angola Launches Austerity Program

LUANDA, Angola (AP) — Angola has imposed an austerity program that freezes individual bank assets and devalues the currency 50 percent, in an effort to revive the southern African nation's war-ravaged economy.

Announcing the plan Friday, President Jose Eduardo Dos Santos also said he would clamp down on official corruption and a rampant black market where the kwanza, Angola's battered currency, has been trading at a rate of 2,000 to the dollar, 60 times less than the official rate of 30 to the dollar. The official rate will be cut to 60 to the dollar as of Oct. 1.

The announcement signals the embattled Marxist government's intention to create more space for private business in an economy that has been centrally planned since independence from Portugal in 1975.

The structural adjustment measures have been encouraged by the World Bank and the International Monetary Fund, which Angola joined over U.S. objections last September.

Mannesmann Said Selling Unit

BONN (AFP) — The West German mechanics giant Mannesmann AG is planning to sell its computer branch, Mannesmann Kienzle, which employs 4,000 people, the magazine Der Spiegel reported in its Monday edition.

The magazine named American Telephone & Telegraph, the ICL unit of Japan's Fujitsu Corp. of Japan, and Siemens AG as possible buyers.

Kienzle's speedometer and taximeter department will merge with the Mannesmann subsidiary Fichtel & Sachs, according to the report.

The sale has been in the air since the Mannesmann chief, Werner Dieter, said last May that worldwide mergers in the computer sector made the future of the computer unit uncertain.

Honda May Start Soviet Production

TOKYO (AFP) — Honda Motor Co. has begun feasibility studies in the Soviet Union and Poland to start production of motorbikes equipped with 50cc engines, a leading economic paper reported Sunday.

The Nihon Keizai Shimbun, citing sources at Honda, the world's top motorcycle manufacturer, said the studies were being carried out at the request of the two governments.

The Soviet Union will start producing 50cc bikes using Honda expertise by 1992 at the earliest, the paper added. It said Moscow had asked Honda for technological cooperation in a variety of fields, but Honda decided to offer know-how only on 50cc bikes because the demand for that size bike is exceptionally high in the Soviet Union.

Chase AMP to report loss for 1990

SYDNEY (AFP) — Chase Manhattan Bank's half-owned Chase AMP Bank Ltd. said Sunday it would report another annual loss this year, because of corporate collapses and Australia's economic slump.

The bank, half-owned by Australia's largest insurance company, the AMP Society, said in a statement that it had received an 80-million-Australian-dollar ($66 million) capital injection from its parent companies to cope with the expected loss.

Like many of the 15 foreign banks that came here in 1985, Chase AMP has been hit hard by the fall of Australian entrepreneurs such as Christopher Skase, whose Qintex group collapsed shortly after it made a $1.5 billion bid for Hollywood studio MGM/United Artists.

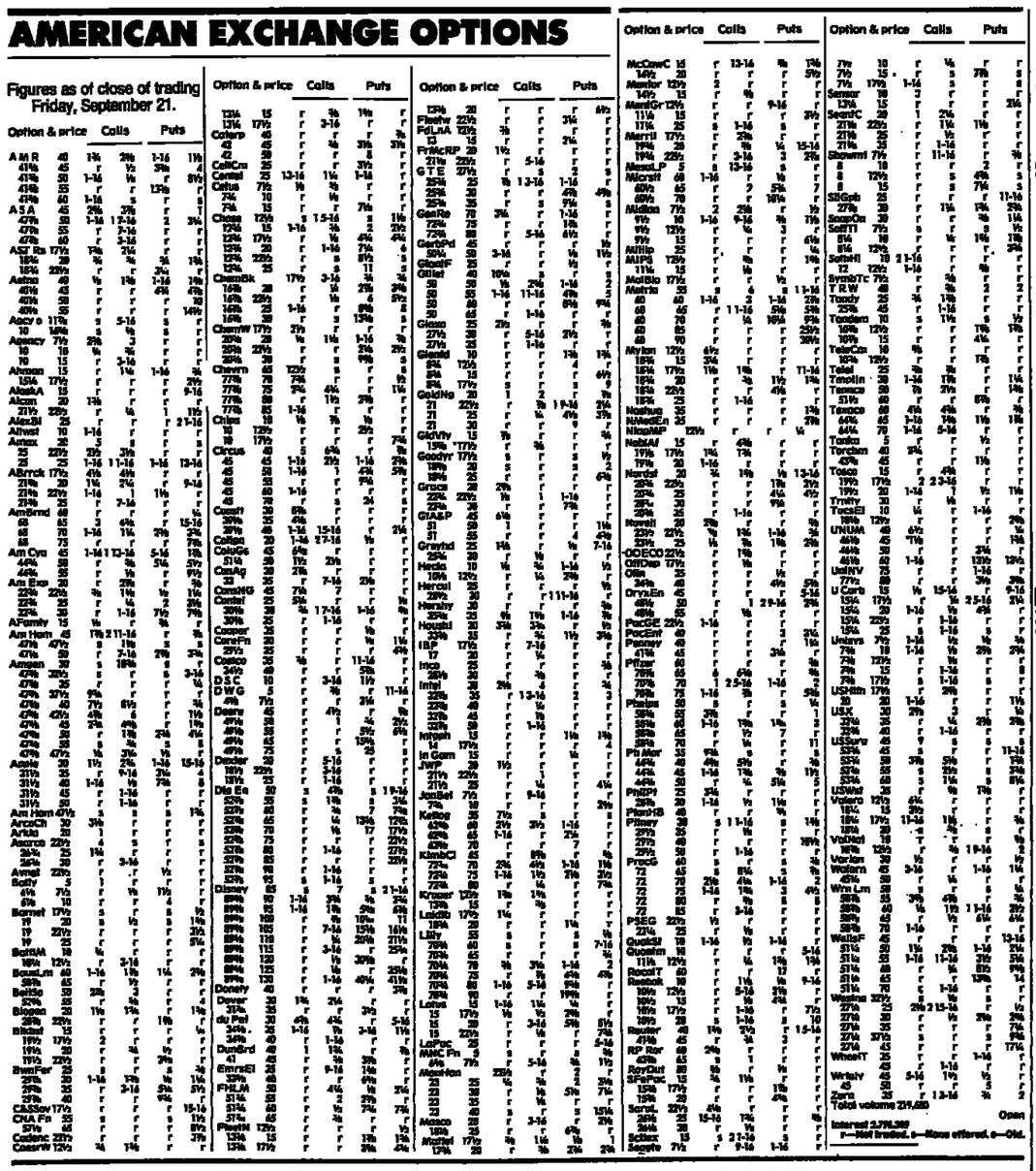
Panama Sets Privatization Plan

PANAMA CITY (AFP) — Panama's government has announced plans to privatize Air Panama and three other state-run companies in a bid to reactivate the country's sluggish economy.

A government spokesman said Saturday that Air Panama, the Atlantic Banana Corporation, a palm-oil refinery and an agricultural development project will soon put up for auction.

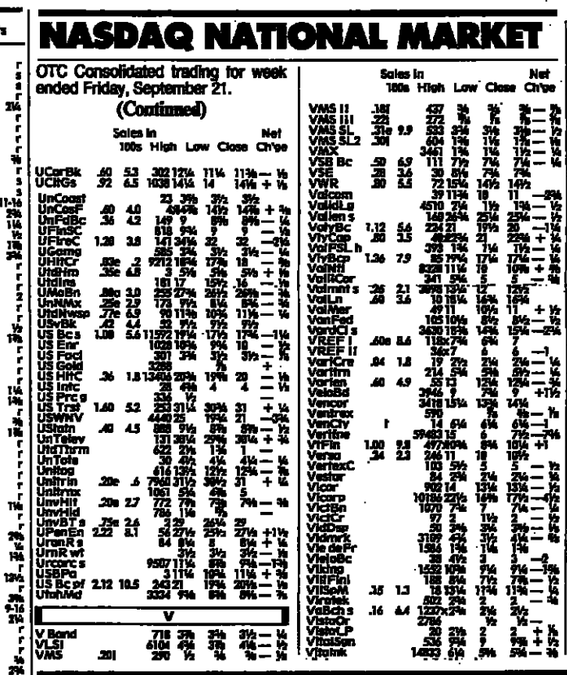
AMERICAN EXCHANGE OPTIONS

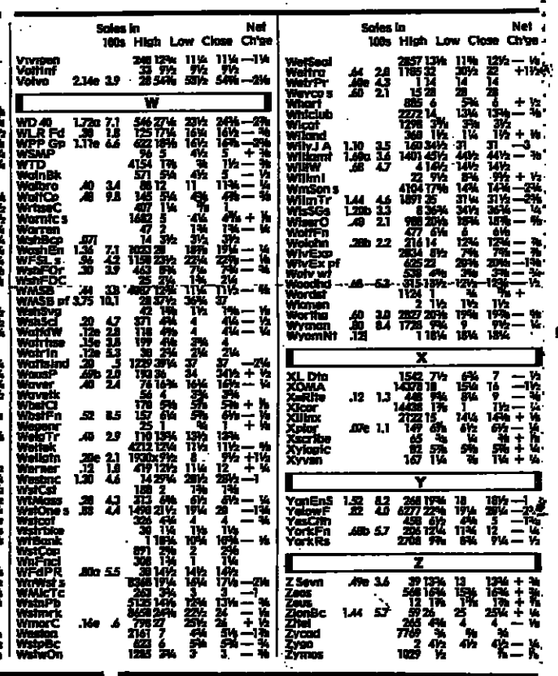
Figures as of close of trading Friday, September 21.

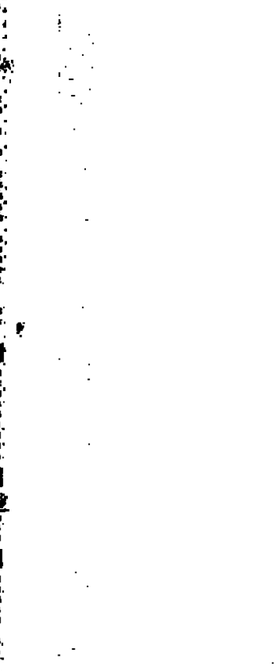


NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, September 21.
(Continued)

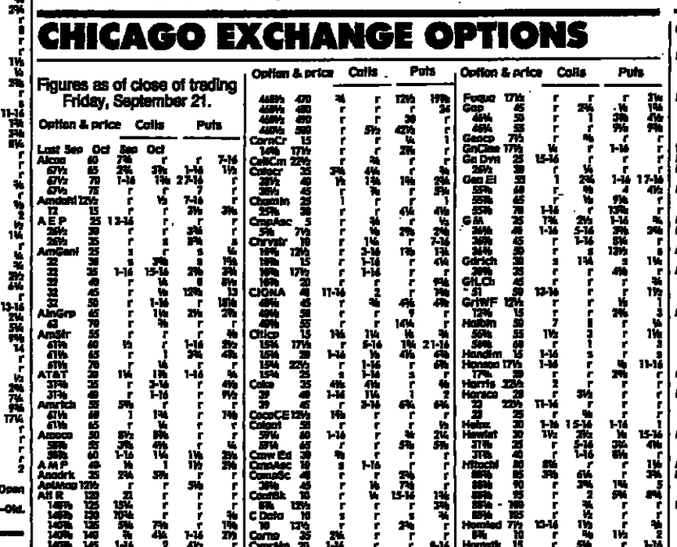


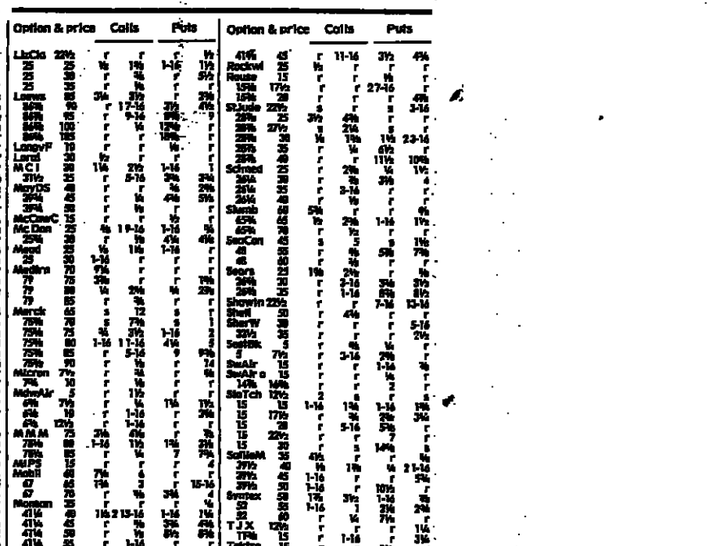




CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, September 21.





ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
1841 Broadway, Ste 1000, NYC 10023
212-765-7896
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

V.I.P.
DISCREET ESCORT SERVICE
7 DAYS 24 HOURS. CARDS ACC
LONDON (071) 224 6429

MERCEDES
V.I.P ESCORT AGENCY
9 AM TILL MIDNIGHT - 7 DAYS
MAJOR CREDIT CARDS ACCEPTED
TEL: LONDON
(071) 351 6066

THE ZOE PARTNERSHIP
Escort Service NOW IN LONDON
Europe's most sophisticated escort agency has arrived.
071 221 8453
Credit cards now accepted

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

ESCORTS & GUIDES

BELINDA
Private Escort & Guide Service
Please call London 071 581 2624
Credit Cards Welcome

CROWN CLUB LTD
NEW YORK ESCORT SERVICE
(212) 688-2271

AVELON
ESCORT SERVICE
Amsterdam
Telephone: + 31 06-52826925

GENEVA * MELODIE
ESCORT SERVICE. Tel 022/46 11 58

ZURICH
Caroline Escort Service 01/252 6174

- NEW TOP LUXURY ELITE ESCORT - FRENCH, ITALIAN, SWEDISH UPPER CLASS VIP MODEL SERVICE LONDON & travels 071 581 2069.

ESCORTS & GUIDES

MADRID SHADOWS
Escort Service
Telephone: 341-262.99.93

CHELSEA ESCORT SERVICE
51 Beauchamp Place, London SW3.
Tel: 01-584 6513 Established 18 years.

ZURICH SUSAN
ESCORT SERVICE. Tel: 01/382 05 80

* ZURICH * ISABEL *
Escort Service. 01/241 87 67

LONDON EXOTICS
Escort Service 071 373 3024

GENEVA "LOVE"
Escort Service. 022 / 21 59 61

ESCORTS & GUIDES

TOKYO *** TOP ESCORT SERVICE
Major credit cards accepted. Tel: (03) 436-4998.

STOCKHOLM ESCORT SERVICE
Please call (46 8 817627
Open 24 hours

OCCASIONS ESCORTS Discreet Escort Service. Major Credit cards taken. Tel London 081 579 9126.

- ZURICH - DOMINA LADY JANE Escort Service *** Credit cards. Tel: 01 / 252 73 59.

JASLAN & LUGANO EXCLUSIVE **** Multilingual Escort Service. Tel: (39-2) 58305713.

NEW IN BRUSSELS ! BACCARA !! First class Travel and Escort Service for executives. Tel: 02/37.49.06

CROWN ESCORT Service, London 071 706 3073 0860 819969.

* CHRISTINA * LONDON * Private Continental Escort Service. Tel: 071-730-0405 / 0831-169570.

GENEVA STEPHANIE ESCORT service - 16 rue Crespin, 2nd floor, Apartment 23 - 3pm-12pm

VIENNA ELI'S Escort and Guide Service, all Austria. Tel: 713 15 80. Fax 713 81 73.

BRUSSELS. CATHY Escort Service. Tel: (02) 734-1586 or (02) 733-3321 or (010) 89156. Credit cards accepted.

ORIENT JAPANESE CHINESE THAI Escort service. Days and evenings. Please phone 071 225 3314 London.

ESCORTS & GUIDES

GENEVA FAVOURITE
Escort Service.
Tel: 022 / 21 97 46

* LONDON & PARIS LINK *****
1st class ladies, exclusive VIP French Escort Service London (071) 351-1152

AMSTERDAM LIBERTY ESCORT
Top class service
020-180604, credit cards accepted

CAPRICE EXCLUSIVE European and Eurasian Escort Service. Tel London 071 266 3378

* * * MUNICH * * * 91 23 14
ESCORT & GUIDE AGENCY.
THE FRIENDLY SERVICE

F R A N K F U R T - "TOP TEN" ESCORT SERVICE. Tel: 069/ 55 98 26. THE BEST IN TOWN. Daily from 2pm.

AMSTERDAM BERNADETTE ESCORT Service. Number One. Telephone 34 27 82

LONDON - PRIVATE
ANN GLAMOROUS ESCORT SERVICE
071 581 0199.

ANGELS
9AM UNTIL MIDNIGHT.
TEL LONDON 071 584 6791

FRANKFURT * PRIVATE *
Sophisticated Escort Service.
069/444 798. Credit cards.

ZURICH NEW
High class Escort Service.
Tel: 077 / 63 83 32.

AMSTERDAM PRIVATE Club/Escort Bo's Overtoom 558 Amsterdam. Phone: (020-160314.

NO.1 IN FRANKFURT Escort service open 7 days until midnight. Credit cards accepted 069/556137

***** TOKYO VIP PRIVATE *****
********** Escort Service **********
Tel: (03) 352 - 7123

هكذا من الأصل

1992 The World's Rendezvous With Europe

Nineteenth in a Series

Banking and Finance / Toward a Common Currency

Struggle for Accord on Monetary Union

Shortly after Jacques Delors was appointed president of the EC Commission in Brussels he visited a small village in his native France.

A group of locals listened patiently, albeit with mounting puzzlement, as Mr. Delors labored to explain the purpose and significance of his new job. Finally one of the farmers present shook his head, cleared his throat and spoke. "You know what?" he said. "We might begin to understand what

Britain favors a "hard" ECU; others tend to disagree.

it's all about the day we start getting paid in that fancy Europe money."

The United States of Europe will come into existence for many people only when European bank notes are labeled in ECUs (European Currency Units) instead of francs, pounds, Deutsche marks, lire or pesetas.

Beyond the strident rhetoric of national sovereignty versus Europe's manifest destiny, the step-by-step architects of monetary union are working toward this goal.

The EC was formed in 1957 to create a common market for goods and services. To this are currently being added total freedom of movement for capital and a Community-wide trading area for financial products — the heart of the "1992 single market" program. The 12 member states had been moving toward consensus on a further objective: the creation of an economic and monetary union (EMU), involving coordination of national policies and the establishment of a central regulatory authority.

But by mid-September, the combination of the Gulf crisis, the surprise rejection of key elements in the EMU plan by five EC governments and the prospect of a U.S. recession had clouded this plan. At the close of the weekly Commission meeting in Brussels Sept. 5, Mr. Delors warned that an economic slowdown in the Community caused by the Gulf crisis could "seriously compromise" the 1992 program, referring to possible new protectionist measures in member states and slower progress on EMU.

EC finance ministers at a meeting in Rome Sept. 8 pledged to jointly contain the impact of the Gulf crisis, but also warned that Western Europe would face higher interest rates, tight money and, possibly, higher inflation, although they declined to speculate on the amounts.

France was among the first EC countries to slightly revise downward its GNP forecasts for 1991 to take account of the rise in oil prices since early August — to 2.7 percent from 3.1 percent amid predictions by private economists that the revision was too modest.

West German economics ministry and banking sources said that there was no immediate cause to change their forecasts of 4 percent GNP growth for 1990, which was expected to continue in 1991, fueled by booming exports, notably to East Germany. According to EC and German economists, German unification will add roughly 0.5 percent to the Community's overall growth in 1990 and 1991, and 1 percent to West Germany's growth.

Price stability is likely to be the main objective of a coordinated European monetary policy, with subsidiary matters such as supervision of banks and other financial institutions being left to national authorities. At the same time, the EC's existing legislative program for the financial sector already provides for harmonization of many national rules and procedures. Under the provisions of a recent directive, banks are to be allowed to operate throughout the EC on the basis of their home country license; other measures specify standard bank reporting requirements.

The need for monetary coordination is emphasized in a report drawn up at the request of the EC Council of Ministers by a committee of central bank governors under the chairmanship of Jacques Delors. "By greatly strengthening economic interdependence between member countries, the single market will reduce the room for independent policy maneuver and amplify the cross-border effects of developments originating in each country," comments the report.

A major political clash over EMU — and possibly a Community crisis — looms as EC member governments prepare for an intergovernmental conference scheduled to open in Rome Dec. 14. "It has become a political as well as an economic and technical problem, which means we will now need a political solution," comments an EC Commission official.

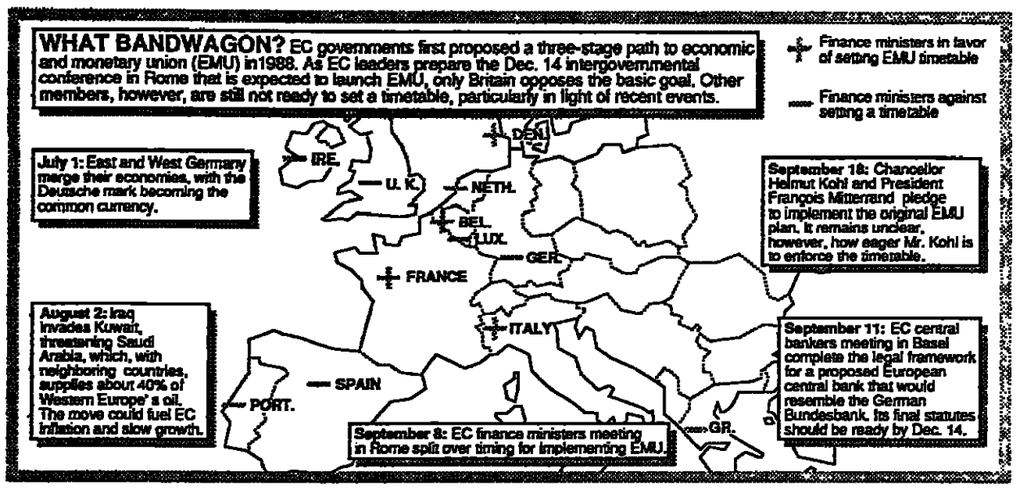
At the Sept. 8 Rome meeting, finance ministers from Britain, Spain, Germany, Greece and Portugal resisted the timing and methods for introducing a single EC currency and a federal banking system, modeled on the German Bundesbank.

Senior German officials in Bonn emphasize that the Sept. 8 meeting should not be viewed as a failure for EMU, but as the beginning of a difficult and complicated negotiation, prior to the Dec. 14 conference.

Michael Wilde, of Westdeutsche Landesbank, says the bank is opposed to "forcing the situation by decree." The matter should be approached with caution, he adds. "It would be wrong to view this as a matter of political or personal attitudes. The problems, which have obviously yet to be resolved, are structural in nature."

Most member states would be unhappy with monetary policy arrangements that could seriously limit their independent money-raising powers — and their freedom to run up budget deficits. As a result, the Commission now seems to have considerably watered down earlier proposals that

Continued on Page 14



Interview / Martin Bangemann, EC Commissioner

EC Positioned to Ride Out Global Shocks

Martin Bangemann, former West German economics minister and current EC commissioner for the internal market, discussed the outlook for economic and monetary unity with Axel Krause, corporate editor of the International Herald Tribune. The following are excerpts from the interview:

Is the Gulf crisis having any impact on the movement toward establishing the integrated market by 1993?

Not directly, but it has confirmed our belief that it is necessary to reinforce the economic strength of Europe. We also have enlarged the program a little bit. We have concentrated on developing infrastructure for the internal market, or the nervous system as we call it. This involves working toward greater integration of transport, telecommunications, training and energy systems, and there the Gulf crisis is reinforcing our efforts.

Given the situation in the Middle East, how is the EC positioned for a possible third oil shock?

Much better than for the first and second. First, since the last oil crisis, there has been a trend toward decreased use of energy for industrial production, distribution, services and, to a lesser degree, by private consumers. Second, there has been better diversification of our energy sources, including relying more on Venezuela and Africa.

How much of the EC's oil comes from the Gulf?

From Kuwait and Iraq, about 10 percent to 12 percent on average, but it is much more in Britain, and less in Germany. The Gulf figure is about 40 percent, because of Saudi Arabia.

Do you agree with those who believe the EC is now in a stronger position to survive a possible recession in the United States?

Europe has been getting stronger through the single-market program, but so has the interlinkage of the world economy. To say that we are now better able to overcome an American recession is a bit dangerous. But it is also true that the percentage of our economy dependent on America is shrinking.

How do you react to talk of a U.S. recession?

I don't believe there is one. And now the weak dollar has given a start to helping American exports. The policy of American industry is not only taking into account investments in Europe, but combining them into a world system. A rather more dangerous element are the [federal budget] deficits.

How would you describe the Community's present trade relations with the United States?

They are getting better. The underlying problem is diminishing: the trade deficit of the U.S. It is now running a trade surplus with Europe and a deficit with Japan.

How do you rate East Germany's chances for closing its economic gap with West Germany and the rest of Europe?

Continued on Page 14

ALCATEL
WestLB
The Westdeutsche Landesbank
Allianz
RHÔNE-POULENC
In Touch with Tomorrow
TOSHIBA

Introducing the German bank that offers finely tuned instruments in international finance: WestLB.

Head Office Dusseldorf
Beijing, Hong Kong, London Luxembourg, Madrid, Melbourne, Milan, Moscow New York, Osaka, Paris, Rio de Janeiro Tokyo, Toronto, Zurich.

An experienced wholesale bank, WestLB accompanies your international finance operations.

20 years of experience in Corporate Finance, the solidity of a state bank and the leading role played by WestLB. On this sound foundation, WestLB successfully combines classical products with innovative solutions, applying the right mix of state-of-the-art technology and personal creativity. That's why WestLB rightfully belongs at the top of your shortlist – from Corporate Finance and Investment Banking to Treasury. And with a global network stretching from Düsseldorf to New York and from Tokyo to Toronto, WestLB is perfectly equipped to set the tone for your international finance operations.

WestLB
The Westdeutsche Landesbank

ADVERTISING SECTION

1992

Mergers / EC Fever

Buyers Looking for Slice of European Pie

Few issues challenge the spirit of 1992 and the single market more than the takeover of EC companies by companies from outside the Community. But there is little prospect for a slowdown in EC acquisitions by North American, Asian and other non-EC European countries.

In all, the merger and acquisition activity by non-EC companies making corporate acquisitions in EC countries has jumped from 224 bids worth $17.4 billion in 1988, to 662 bids worth $29 billion last year, to 394 bids worth $19.4 billion in just the first six months

In 1989 U.S. companies acquired 228 EC firms

of this year, according to London-based Acquisitions Monthly magazine.

Such deals make sense for the companies involved, both in immediate and long-range terms. In the short range, investment bankers and financiers continue to scour the earth for potential partners and offer them creative and lucrative corporate-finance products offering short-range profits and a means of paying off acquisition-related debts. In the long range, takeovers, mergers, joint ventures and other alliances are part of the master strategy for many non-EC companies that want access to the 325 million consumers in the single market.

The recent Japanese acquisition of International Computers Ltd., the STC subsidiary that was Britain's only manufacturer of mainframe computers, is a case in point. A few years ago, the $1.29 billion purchase of 80 percent of ICL by Fujitsu, the giant Japanese computer company, might have raised an outcry about the loss of a "national" industry and the growth of "foreign" influences in corporate Europe.

But no more. Arthur Walsh, STC's chairman and chief executive, said the sale was necessary to secure ICL's future; the parent company, he explained, simply could not afford to compete with the bigger, global computer companies, particularly in view of the dramatically rising costs of research and development.

Despite being the third-largest computer maker in the world, Fujitsu had relatively little business in Europe. Analysts say the ICL acquisition completes a global base that makes it possible for the company to challenge the leader, IBM.

The sale did trigger some murmurings among the opposition Labor Party in London and at the EC Commission headquarters in Brussels about the loss of British and European control of an important part of such an important commercial field.

But these misgivings are unlikely to result in any action by either Britain or the EC, as both Fujitsu and ICL showed how today's executives have learned to head off such criticism.

At ICL, Chairman Peter Bonfield, who has been one of the most active European CEOs in promoting the advantages of the single market, says Fujitsu would not make the same mistake as many American companies following their European acquistions.

"They buy something, send in American managers, absorb it into the organization and lose its identity," he says. "Fujitsu's view is to add value and work with the local community for the prosperity of all. It sounds grand, but I think they genuinely believe that."

Besides Fujitsu-ICL, a spate of other major takeovers in the past three years have helped Japanese companies follow the European takeover trail opened – and still heavily trod – by American firms.

"In the past few years it has been the case of the U.S. waking up to 1992," says Philip Healey, editor and publisher of Acquisitions Monthly magazine in London. "More recently, it's been the case that everyone has woken up. The corporate feeling has been that one has to buy into the EC before 1992. On top of that, the feeling is that one has to buy now as all the good opportunities will be gone."

He points out that American firms acquired 73 companies in EC countries for $5.4 billion in 1988; by 1989 the figures had increased to 228 companies for $16.9 billion.

This year, Mr. Healey said, U.S. activity has slowed somewhat, while non-EC European countries have become major players. Bids for companies in EC countries by companies from non-EC countries in Western Europe rose from 112 worth $8.6 billion in all of 1988 to 225 worth $12.5 billion in only the first six months of this year.

Among the most active bidders this year have been the Scandinavians, and particularly the Swedes. "Scandinavian countries have realized that if they want to compete in world markets they have to move, and the Swedes have really gone on the acquisition trail because of the deregulation of some of their finance and investment controls," Mr. Healey says. "In 1988, Sweden acquired 44 companies at $724 million and in 1989 they acquired 89 companies at $1.1 billion. In the first six months of this year, they acquired 94 at $10.3 billion."

Volvo of Sweden has entered into a billion-dollar series of agreements with France's Renault to cooperate in car and truck manufacturing and sales. Volvo's reasons for pursuing the alliance are a textbook example of how and why a non-EC company might need access to the new single market.

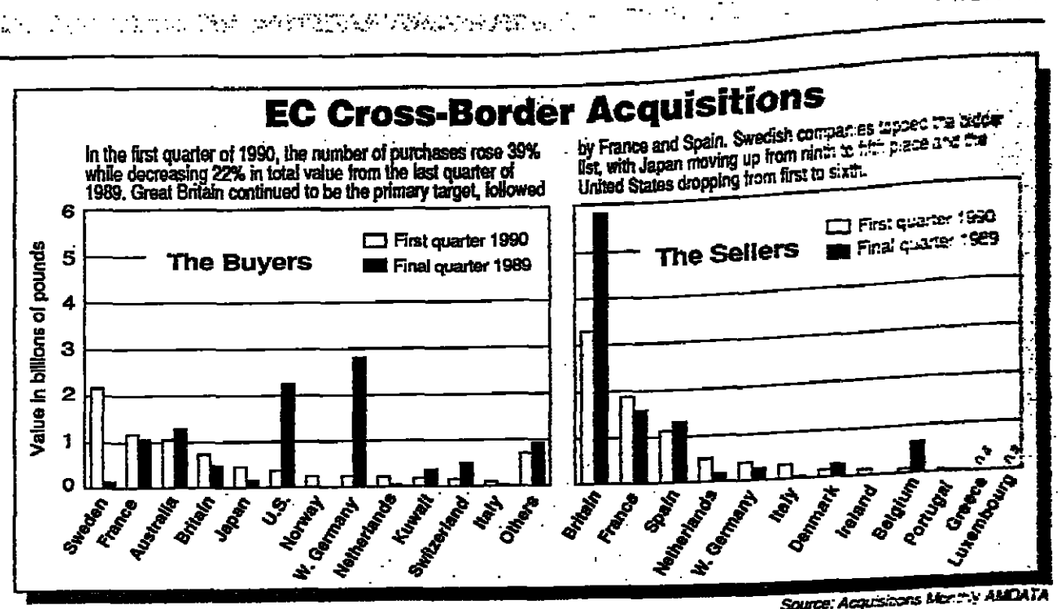
One of the major factors is that Volvo's sales and market share in all three of its leading markets – the United States, Britain and Sweden – are falling. Those 325 million Europeans in the single market open up a whole new sales frontier.

Another motivation for Volvo is sharing the high cost of new technology with a partner. Other factors include loss-making swings in currency exchange rates and the rapidly increasing financial burden of manufacturing in Sweden. Spreading the burden over different currencies and over countries with cheaper labor and production costs are techniques that can help keep the company in the black.

The majority of foreign acquisitions made within the EC in recent years have been in Britain for several reasons: English is the most common second language; London is one of the three leading world financial centers, along with Tokyo and New York, and offers access to and competition for all manner of financial services; Britain's legal structure is one of the most open and flexible in the world for allowing its home companies to be targeted.

"On the whole, the British look on takeovers rather more favorably than their counterparts in other European countries," says Andrew Hutchinson, a research executive at the Institute of Directors in London. "This has been reflected in factors like Japanese investment. Britain has been regarded as the major entry point into the EC."

Timothy Harper



Source: Acquisitions Monthly AMDATA

Banking and Finance / Toward a Common Currency

Struggle for Accord

Continued from Page 13

would have severely penalized countries that strayed too profligately into the red. Emphasis is now being placed on the ability to swing the spotlight of unfavorable publicity onto big spenders and to attach conditions to the EC financial assistance offered to member states experiencing difficulties.

EC members also agonize – some more openly than others – about the preponderance of German economic strength and the weight of the Deutsche mark. Germany itself is especially eager to ensure that any new European body set up to supervise monetary policy could act independently of national governments and other EC institutions. This reflects the priority it has long given to minimizing inflation, and coincides with the additional pressures Germany's unification is putting on its economy.

Current Commission thinking is to start introducing the main new proposals (stage two) in January 1993, and to arrive at full monetary union (stage three) shortly thereafter. Stage one has started already with the freeing of capital movements, and should continue with the extension of the European Monetary System (EMS) to all member states, including Britain.

Replacing all member state moneys with the ECU is a strategy on which the states do not yet agree. France favors the move, but Germany, whose Deutsche mark largely dominates movements between European moneys, has been giving a mixed signal on the issue. Foreign Minister Hans-Dietrich Genscher actively supports the formation of a European central bank while Finance Minister Theo Waigel and the president of the Bundesbank, Karl Otto Pöhl, have rejected early moves toward monetary union.

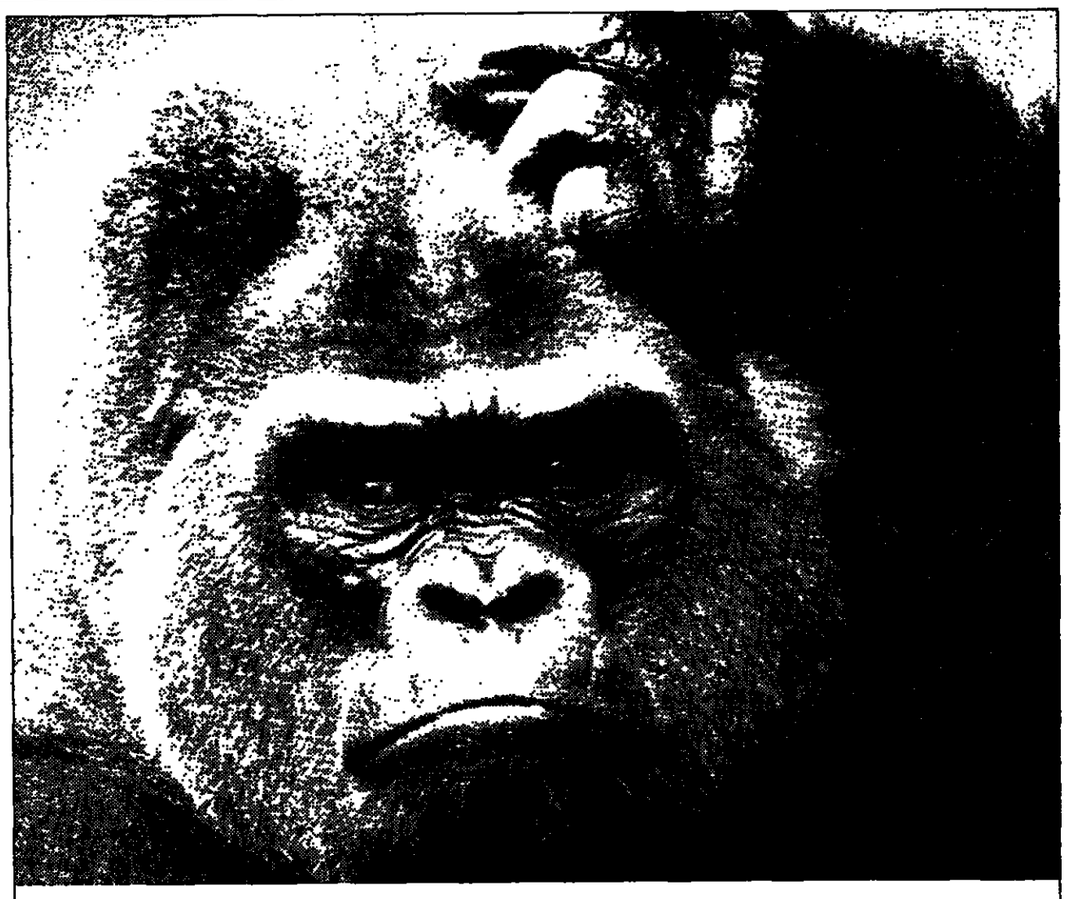
Britain still distrusts all such entanglements, and has come up with an alternative proposal – the "hard ECU." This would make the ECU an independent currency with a fixed exchange rate against the different national moneys within the EC. The latter would continue to exist and to fluctuate in accordance with the market and EMS rules.

The proposed union is economic as well as monetary. The EC Commission proposes three-year policy guidelines for the EC and each of its member countries. Country guidelines would cover such issues as budgets, costs, savings and investment. If implemented, the overall EMU program would involve a considerable shift of power from individual member states to European authorities. Accordingly, it would logically call for a significant boosting of democratic control at Community level.

In a wider international context, the movement could clarify the definition of three major economic zones identified by the dollar, the yen and the ECU. At the same time the pasting together of a more coherent monetary entity in Western Europe, including the possible emergence of a new convertible reference currency, could assist efforts to promote economic renaissance in the eastern part of the Continent.

"The introduction of a sound standard of value into the Eastern economies is arguably more important than the wholesale introduction of private property," said Giovanni Agnelli, Fiat chairman, at a conference in Brussels earlier this year. "The ECU can tear down one more wall in Eastern Europe: the wall of inconvertibility."

Michael Rowe

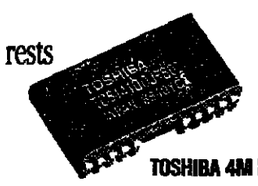


"Leave the thinking up to me."

Sometimes the expression on a gorilla's face is just like Rodin's "Thinker." But nobody really knows what's on his mind. In our human world we are thinking AI (Artificial Intelligence, and more specifically, Neurocomputers).

The world's first 4M DRAM semiconductor, pioneered by Toshiba, is providing a technical breakthrough making possible a whole range of new Toshiba products from laptop computers to medical equipment and more.

Rodin's gorilla might be quite a thinker. But, if he rests on his laurels, one day soon he might find Toshiba semiconductors have left him behind.



TOSHIBA 4M DRAM

In Touch with Tomorrow
TOSHIBA

Interview / Martin Bangemann

EC Positioned

Continued from Page 13

I believe that within five years it will attain the average of the European Community in terms of productivity. In an additional five years it will approach the level of the Federal Republic. We are assuming a growth rate of about 5 percent to 6 percent, about 1 percent higher than in the Federal Republic.

What will German unification add to EC growth rates?

First, remember the program for the internal market will have added 1 percent. Unification will have added 0.5 percent to Community growth and 1 percent to that of Germany.

Martin Bangemann

How will East Germany fit into EC programs, including 1992?

According to our most recent calculations, about 80 percent of our regulations, the directives for the internal market, can be applied immediately in the German Democratic Republic. We have checked everything.

What about banking and insurance?

The regulations can be applied directly, without any adaptation. We also will be applying our competition principles immediately.

Aren't some sectors getting special treatment?

There will be some exceptions [to EC rules], such as chemicals, pharmaceuticals and medicine, but only until the end of 1992. And there will be a five-year transition period applying to pollution of air and water. Our high security standards also will apply to nuclear plants, which means that starting on October 3, they will have to close.

Where do you stand on implementation of the 1992 plan overall?

We have proposed the texts of 279 directives to the Council. The Council and the Parliament have passed two-thirds, as of early September. And the implementation is getting better: two-thirds of what has been passed by the national parliaments.

Nonetheless, some countries are doing better than others.

Yes, some are lagging behind, such as Italy. Greece is better. Portugal has improved a lot, because we have encouraged them, and so has Spain. Only 40 or so directives have been implemented in all the member states. But if Italy were to speed up its process, as it plans to do, then we would get up to 80, 90 or so. We are well on time.

What has the second banking directive accomplished?

European banks and insurance companies have become far more active, notably in investments. It has not particularly speeded up the activities of foreign banks. Small and medium-sized private banks in Germany have been very active.

What are your hopes for the EC intergovernmental conferences scheduled for December?

We firmly believe the European Parliament should get more power. This is diminishing the power of the Commission. But we, the whole of the Commission, have accepted the idea that there must be a sharing of the right of initiative between the Commission and Parliament. We want a better balance between EC institutions. There is a good chance that qualified majority voting could be extended to areas such as the environment, but not to foreign policy or security. These will remain the domain of the European Council, the heads of state and government.

How long do you plan to remain in Brussels?

Let's say, up to the end of the century.

DEADLINE 92
A frontier-free Europe

The Commission of the European Communities is publishing a series of publications designed to help people understand and come to terms with the changes which will soon be taking place.

- ☐ THE CREATION OF THE INTERNAL MARKET IN INSURANCE — 128 pp. — 10.50 ECU
- ☐ THE SINGLE FINANCIAL MARKET — 53 pp. — 6 ECU
- ☐ CREATION OF A EUROPEAN FINANCIAL AREA — 212 pp. — 16 ECU
- ☐ A GUIDE TO WORKING IN A EUROPE WITHOUT FRONTIERS — 253 pp. — 18.50 ECU
- ☐ FREEDOM OF MOVEMENT IN THE COMMUNITY — 69 pp. — 7.50 ECU
- ☐ THE SOCIAL DIMENSION OF THE INTERNAL MARKET — 115 pp. — 4.20 ECU
- ☐ 1992: THE EUROPEAN SOCIAL DIMENSION — 119 pp. — 9.75 ECU
- ☐ INDIVIDUAL CHOICE AND HIGHER GROWTH — 56 pp. — 6 ECU
- ☐ AUDIOVISUAL PRODUCTS IN THE SINGLE MARKET — 206pp. — 10.50 ECU
- ☐ COMMON STANDARDS FOR ENTERPRISES — 79 pp. — 9 ECU
- ☐ MAJOR THEMES IN ENERGY — 62 pp. — 12.70 ECU
- ☐ COMMUNITY PUBLIC FINANCE — 116 pp. — 10.50 ECU
- ☐ THE COMMUNITY BUDGET: THE FACTS IN FIGURES — 103 pp. — 10 ECU
- ☐ THE COMPLETION OF THE INTERNAL MARKET — 306 pp. — 25.50 ECU
- ☐ PANORAMA OF EC INDUSTRY 1990 — 1152pp — 38.00 ECU
- ☐ GUIDE TO THE REFORM OF THE COMMUNITY'S STRUCTURAL FUNDS — 104 pp. — 11.25 ECU
- ☐ EMPLOYMENT IN EUROPE 1989 — 176 pp. — 11.25 ECU
- ☐ EUROPE IN FIGURES — 64 pp. — 6 ECU

Also available:
INFO 92, The Commission of the European Communities database focusing on the objectives of the Single Market
Please telephone our Help Desk on
+32(2) 235 00 01 or 235 00 09

ORDER FORM TO BE SENT TO:
Office for Official Publications
of the European Communities Department IHT
2 rue Mercier L - 2985 Luxembourg

Please send me the publications I have indicated above
Name _____
Address _____

Prices (excluding VAT and postage) in Luxembourg: Exchange rate as at 1.9.90:
1 ECU = 1.32 USD / = 0.687 UKL / = 2.068 DM / = 6.93 FF
1 ECU = 42.49 BFR / = 204.52 DRA / = 128.55 PTA / = 1.534.41 LIT
1 ECU = 2.33 HFL / = 182.76 ESC / = 7.92 DKR / = 0.77 IRL

1992 The World

Bourses / Harmonization vs. Fragmentation

One Market, Many Exchanges and a Looming Turf Battle

As Europe moves closer to a single financial marketplace, the Continent's exchanges are preparing to fight one another for the available shares of international business.

Market deregulation, more sophisticated products and automated information and dealing systems are the principal weapons in the power struggle among European stock exchanges. These maneuvers are taking place at a moment when the crisis in the Middle East is testing the resilience of the world's increasingly volatile securities markets.

Western Europe has 21% of world equity capitalization

London leads the field, handling some 40 percent of European securities dealings; Frankfurt, Paris and Zurich together account for another 30 percent. European Community officials in Brussels are currently pursuing a program of European legislation aimed at harmonizing securities procedures throughout the Community and demolishing remaining barriers to cross-boundary dealings.

Yet this movement toward consolidation is in a sense paradoxical. All of Europe's stock exchanges grew up within the confines of their own national boundaries, and there is to be no European superexchange. To take on pan-European stature, the existing institutions have to fight one another for business, but then cooperate in order to link networks and obtain access to local information, trading and settlement systems.

Particularly when it comes to international dealings, stock exchanges are competing not only with one another but also with other circuits through which securities information can be channeled. For instance, online financial information suppliers such as Reuters in London and the U.S.-based Telerate are starting to move beyond pure information services and make their networks available for deal-making. Such competition is bound to increase now that computers linked to telecommunications networks are making trading on the floor of the exchanges redundant.

"Fragmentation is the critical problem for Europe and integration is the only solution," declares a report drawn up last year by Arthur Andersen & Co., a multinational accounting and consulting firm. Although Western Europe boasts a combined GNP higher than Japan's and comparable to that of the United States, it can claim only 21 percent of world equity capitalization; 37 percent goes to the United States and Canada, while a full 42 percent is taken up by Japan and the Pacific basin.

In May the 12 members of the Federation of Stock Exchanges of the European Community finally agreed to lay aside at least some of their commercial differences and cooperate on a community-wide project dubbed PIPE (Price Information Project Europe). The goal is to create a European data bank for stock exchange information, and to transmit up-to-the-minute details electronically to subscribers throughout the EC. Data will come from exchanges both in Europe and in other main centers, and will cover company news and bond prices. The system is scheduled to begin operations by the end of the year. A succession of working parties has been meeting in Paris and other European centers to draft rules and procedures, and the project is expected to be completed by the second half of 1991.

A proposal being pushed by Régis Rousselle, chairman of the French stock exchange association, to extend this project into a joint listing system for Europe's top 200 to 300 blue-chip shares has been getting a mixed reception. Under this proposal the equities in question would be quoted simultaneously on member exchanges throughout the EC, and could thus be bought and sold directly on any of these markets. Settlement and registration procedures would take place in the country of origin of the stock involved.

Loud opposition to this plan has been coming from London, which for the last five years has been running its own computerized listing system for international blue chips. Known as Seaq (Stock Exchange Automated Quotation) International, the procedure is screen-based and handles some 544 foreign equities. Activity on Seaq International more than doubled last year, while by early 1990 London dealings on foreign equities exceeded domestic deals by more than 20 percent. In comparison, some 80 percent of operations in Paris concern domestic securities.

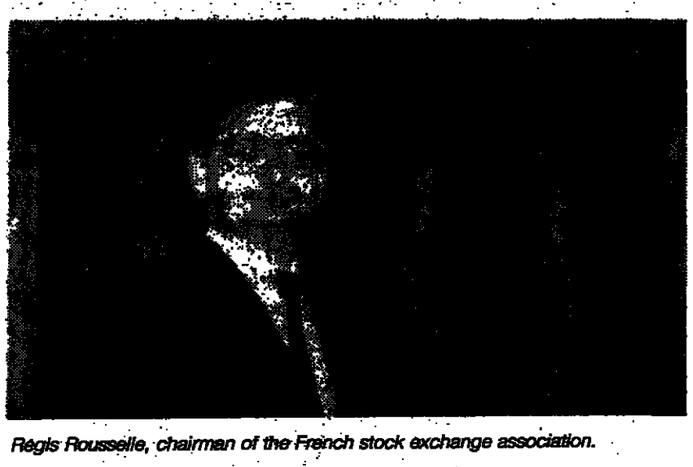
Meanwhile, exchanges throughout the EC are trying to make themselves more attractive to investors and to differentiate themselves from their neighbors. France, for instance, is putting the finishing touches on a vast modernization program which has seen the dissolution of the cozy stockbrokers' monopoly, admittance of foreign financial institutions, installation of a computer dealing system linked to automated settlement procedures and computer registration of share and bond titles.

Spain and Belgium have also recently undergone the rigors of computerization, while after a few false starts Italy too is planning to automate its scattered markets. West Germany has the strongest economy in Europe, yet its stock exchanges, hampered by regional jealousies and lacking an investing public, lag behind that of London. Frankfurt, the country's main financial center, is introducing a new computerized futures-and-options exchange and a screen-based share trading system just as German unification shifts the political and economic focus toward Berlin.

Action by the EC authorities has been limited to regulations aimed at leveling the playing field across the Community. Brussels has churned out directives on mutual recognition of securities listings, insider trading, public-offer prospectuses and alignment of conditions for admission. The EC also supports recommendations by the Group of 30 — an informal gathering of financial eminences with a small permanent secretariat in London — calling for worldwide standardization of settlement procedures.

Freedom to provide financial services throughout the EC and the abolition of all restrictions on the flow of capital lie at the heart of the post-1992 single-market concept. Securities dealings are one element in this program, while stock exchanges occupy an anomalous territory halfway between private initiative and public regulation, buffeted by the conflicting demands of providing competitive services and integrating networks. If success is to be measured by customer satisfaction rather than which center is to dominate Europe, then the yardstick will be the ease of dealing throughout the Community, without regard to the country of issue or the place of transaction.

Michael Rowe



Régis Rousselle, chairman of the French stock exchange association.

Insurance / Restructuring the Industry

New EC Insurance Decrees to Benefit Large Companies

The post-1992 world of insurance and financial services in the EC is shaping up to be a market dominated by a few large companies rather than a wide assortment of insurers avidly competing for the consumer's business.

The long-awaited EC second enabling decree on insurance supervision laws — the core of anticipated freedom of services for consumers in post-1992 Europe — primarily benefits so-called "large-risk" policy holders.

Insurance investment rising faster than countries' GNP

Companies with either total balance sheets of more than ECU 6.2 million (US$8 million), sales volume of over ECU 12.8 million or an average work force of more than 250 people can now, by the terms of the decree, take out various kinds of nonlife insurance with any insurer, whether domestic or foreign, without first having to go through the extra step of submitting their contracts to official bodies for approval.

Dr. Reiner Hagemann, in charge of property, transport and technical insurance for Allianz-Versicherungs AG, believes that large export companies will turn out to be the prime beneficiaries of new EC insurance directives.

Such companies throughout Europe have been required to conclude as many as 80 different insurance coverage plans and get local approval for them for each major export project. Now, presumably, the companies will be able to take out blanket policies for Europe-wide coverage through such firms as Allianz, Prudential or UAP.

The high level of premiums for such policies makes these much more profitable for insurance companies than policies for individual consumers. As a result, more than one European insurance company is already phasing out its policies for individuals.

This internationalization of the EC corporate insurance market has been provoked by factors other than 1992-related EC directives. As Dr. Hagemann says: "Our clients were getting more and more international and we followed suit." In his view, the greatest service of the EC directive has been that it has simplified the writing of insurance contracts — no small matter.

ALLIANZ

Reiner Hagemann of Allianz.

Allianz has raised its percentage of nondomestic accounts by 44 percent during the past few years, a strategy that seems to be working; the company's total premium income for the last fiscal year reached DM29.2 billion ($18.9 billion), and assets and funds under the company's control have reached a total of DM140 billion. Allianz recently announced a $3.3 billion purchase of the Fireman's Fund (U.S.), its largest-ever acquisition.

Standard coverage rather than lower prices may prove to be the greatest advantage of the new policies for EC consumers in the long run. A law passed by the EC's council of ministers in June grants all EC automobile passengers automatic insurance coverage in case of accident. This law, which also provides protection against uninsured drivers and which stipulates that liability automobile insurance policies will be valid in all European countries, is scheduled to take effect in most EC countries and for most categories of motor vehicles beginning January 1, 1993.

And what about the "big three" of the consumer insurance sector — health insurance, life insurance and pension plans? The total amount invested in such insurance in the EC is rising two to three times faster than the GNP in most countries, contrasting sharply with the relatively low level of growth in other financial sectors such as banking.

The enormous sums of money the insurance industry can mobilize has forced banks either to enter the field themselves (as in the case of Deutsche Bank's new subsidiary) or conclude equity or service alliances with the insurers.

Allianz's Dr. Hagemann says not all the changes in the EC insurance sector will necessarily result in cheaper and better policies for consumers. He points out the significant differences among policies currently offered throughout the EC. A health insurance policy with a German company, he says, cannot be canceled if the policyholder suffers a long (and expensive) illness, but this is not the case in some of the other EC countries.

When consumers invest in life insurance, Dr. Hagemann points out, they "are not investing in a certain return, but in security," and must be careful to read the fine print in any new policy they are considering.

As EC consumers get older and more affluent, and as their needs grow more and more complex, Europe's insurance companies are facing increasing costs resulting from retraining their sales forces.

In addition, faced with the need to assist representatives (of which Allianz has 47,000 in Germany alone) in countering the sales pitches of hundreds of new competitors entering the EC insurance scene, the administrative costs for companies can only rise.

Overlooked in all the brouhaha about the new pluralism in Europe's post-1992 insurance market is the fact that going pan-European is expensive.

Terry Swartzberg

EBRD / Banking on the East

Development Bank Readies for Action

Preparations for a development bank to help Eastern Europe rebuild its economies and enter a free-market system as painlessly as possible are well under way, according to bank officials.

The European Bank for Reconstruction and Development (EBRD) — to be located in London and headed by Jacques Attali, special adviser to French President François Mitterrand — may start operating early next year. Officials hope shareholders with two-thirds of the voting rights will have ratified the founding agreement by March 1991.

The founding agreement may be ratified by March 1991

Progress since France launched the idea of the bank in November 1989 has been surprisingly rapid, considering that there are 42 different shareholders to please.

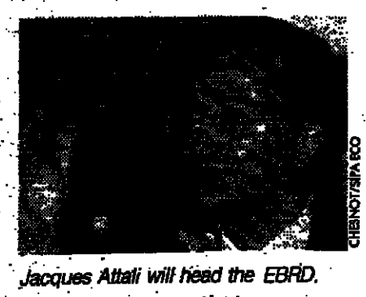
EC countries, along with the European Commission and European investment banks, hold a 51 percent stake in the EBRD's ECU10 billion (US$13 billion) capital. The United States is the biggest single contributor, with 10 percent, and is followed by Japan, Britain, Germany, France and Italy, with 8.5 percent each.

Other shareholders include 11 non-EC European countries, nine nations outside Europe — as far afield as Mexico, Israel, Morocco and South Korea — and the eight potential borrowers. The eight will, of course, become seven after the unification of the two Germanys. A 1.25 percent stake in the bank was left unallocated for new members in the future.

The road to the establishment of the bank has been bumpy. One of the major stumbling blocks early on was whether the Soviet Union would be eligible for loans. The United States in particular was against the idea because the Soviet Union does not — yet — meet the main criterion for EBRD participation, which is to "promote private and entrepreneurial initiative in the Central and Eastern European countries committed to and applying the principles of multi-party democracy, pluralism and market economies."

But a compromise was struck allowing Moscow to borrow, for the first three years of bank operations, amounts not to exceed the total capital the country has paid into the bank. After that, the agreement of an 85 percent majority of shareholders will be needed for the Soviets to borrow as freely as the East Europeans.

In another compromise, it was agreed that the bank's capital can be denominated in dollars and yen as well as ECUs. The United States had argued that it would run an exchange rate risk by putting up the cash in ECUs, and won its case in the end.



CHERNOTSIPA ECO

Jacques Attali will head the EBRD.

The exchange rate will be calculated each time that a new tranche of the capital is paid in, Mr. Attali has promised.

The United States has also been against the proposal that the EBRD lend to the public as well as the private sector, but in this case, too, a compromise was found: public sector borrowings will be limited to 40 percent, with 60 percent for the private sector.

The most recent EBRD-related controversy has been the possibility that the United States might pull out of the project completely because it objects to Mr. Attali's plan to centralize power in order to minimize bureaucratic tangles and to set up a branch network in Eastern Europe.

Bank officials have been perplexed by the criticism. At the last shareholders' meeting this summer, some members were against the idea of a branch network; others were in favor of it, but all agreed the idea should be studied further before final decisions are made. As Sylvia Jay, deputy chief aide to Mr. Attali, says: "The most surprising thing is that the world is surprised the shareholders don't agree about every detail."

The issues of centralization and a possible branch network will be discussed at the next shareholders' meeting, scheduled for the second half of October in London.

The bank's first official missions to Eastern Europe have been scheduled for October. Mr. Attali and his team will visit Hungary, Poland, Czechoslovakia and other countries before the end of the year. "The idea is to identify priorities and possible projects," says Pierre Pissaloux, Mr. Attali's chief aide. "We will not negotiate loans or equity stakes in companies until the bank starts operating next year." Expectations are high for the first deals, which should be struck next summer.

The bank will also concentrate on regional projects in areas such as the environment and energy. "There is a lot to be done, and the bank is well placed to do it," Mr. Pissaloux says. Joint missions with other international institutions like the World Bank will be sent to Eastern Europe if they are working on the same projects, he adds.

Barbara Casassus

The spirit of '92.

The Spirit of 1992 is the spirit of a new openness throughout Europe.

It is a spirit whose very success will depend on each nation's ability to communicate with one another.

And it is this spirit which is at the very core of Alcatel's business.

Already, we manufacture in 16 European countries and operate in many more. We are a champion of Europe without frontiers.

As Europe's No 1 communications systems specialist, we have the complete range of products and services to provide all the solutions you will need to make 1992, and beyond, a success.

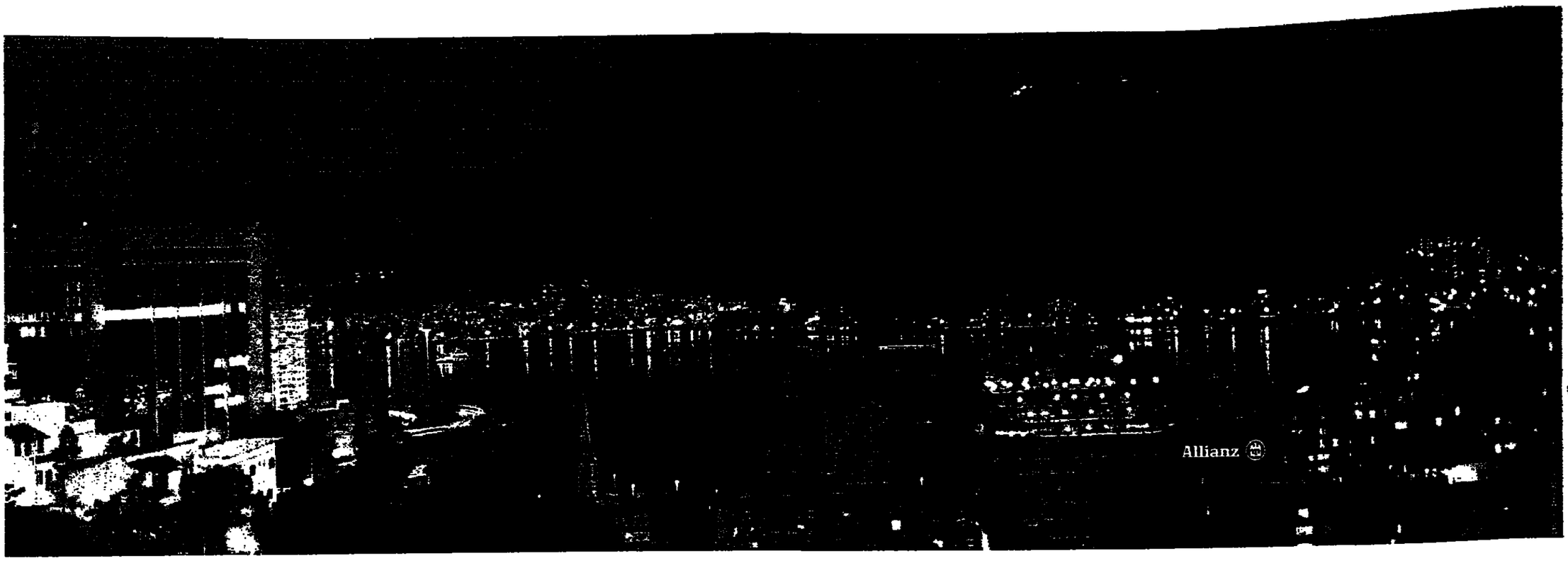
In the true spirit of '92, Alcatel will be supporting the Albertville Winter Olympic Games, the Barcelona Summer Olympic Games and Universal Expo '92 in Seville.

These events will bring together millions of people from all over Europe and the World.

Which is exactly what Alcatel does, day in, day out, each and every day.

ALCATEL

Alcatel n.v., World Trade Center,
Strawinskylaan 341, NL 1077 XX Amsterdam, The Netherlands.



Europe's No. 1 insures your risk.
Being at home where you are.

Familiarity with regional situations is the precondition for offering the right insurance cover for every risk. Allianz is at home in 39 countries all over the world. For 100 years comprehensive technical and financial resources have made Allianz a proven partner for business.

Chance has played no role in making us the leader in the demanding European market. Nowadays, Allianz insures major industrial and technical projects all over the world.

Allianz

EUROPE'S LEADING INSURANCE COMPANY

Allianz worldwide: Argentina · Australia · Austria · Belgium · Bermuda · Brazil · Canada · Chile · Denmark · Egypt · France · Germany · Great Britain · Greece · Hong Kong · Hungary · Indonesia · Ireland · Italy · Japan · Liechtenstein · Mexico · Netherlands · New Zealand · Norway · Peru Portugal · Saudi Arabia · Singapore · South Africa · Spain · Sweden · Switzerland · Tunisia · Turkey · U. Arab Emirates · USA · Venezuela · Yugoslavia

1992 The World's Partner

United States / Retrenchment

American Banks Cutting Back Their European Operations

U.S. trade officials leaned on their EC counterparts to ensure that the 1992 program did not discriminate against American banks and other financial service institutions.

Whether U.S. banks and financial service providers will try to take advantage of the liberalized European marketplace is questionable, however.

Most American banks have been reducing their activities in the EC, as well as in other foreign markets, and giving more attention to their most profitable lines of business. For some, such as Wells Fargo & Company, based in San Francisco, this has meant shutting down their European and other foreign operations altogether.

$223 billion in EC assets in 1989

Other banks are emphasizing investment-related activities and other niche markets. The Chemical Banking Corporation of New York has reduced its lending activities in Europe and closed its offices in Italy, Spain and France, and is now concentrating on its foreign exchange trading, where it is one of the biggest global players. Chemical is also providing financial-advisory and merger-and-acquisition services in Europe.

"The profit margins are greater for us," says Charles Salmans, a Chemical spokesman.

A report by the U.S. General Accounting Office earlier this year found that in addition to the pullback by U.S. banks already in Europe, other American banks that might appear to be good candidates for an initial expansion there are not making those moves.

U.S. securities firms have also shown little sign of making specific plans to enlarge their operations in Europe, the report said.

As far as American banks are concerned, they have good reason to worry about the bottom line. The 1980s were a rough period, as economic shocks such as the drop in the price of oil and Third World insolvencies caused banks to write off billions in loans. Credit ratings for some American banks have dropped, making it more difficult to attract corporate business.

Realizing that American banks needed help, U.S. trade officials made a strong show of opposition in 1988 to the proposed EC second banking directive, which contained a reciprocity provision that appeared to threaten American banks' activities in Europe. Last year the Community amended the directive and U.S. officials said that most of their objections had been met.

But banking and government officials still worry that as the EC deregulates its financial services marketplace, American banks will be unable to participate fully in Europe's economic expansion. "There are potential problems in this area," says Democratic Representative Doug Barnard of Georgia, chairman of the House monetary affairs subcommittee. "They stem largely from the way we regulate banks domestically, and the fact that our financial institutions have not yet gotten the global perspective to compete aggressively in foreign markets."

The presence of U.S. banks in Europe remains substantial. At the end of 1989, the combined assets of U.S. banks' branches and subsidiaries in the EC totaled $223 billion, a $16 billion increase over 1988, according to Federal Reserve figures. But American banks have found that increased competition from European and Japanese banks has made lending a less profitable pursuit.

The only American bank that is pursuing a full-fledged overseas expansion campaign, both in Europe and elsewhere, is Citibank. The Chase Manhattan Bank also maintains an extensive foreign operation, although it has sold off its local retail banking networks in the Netherlands and Belgium. This year, it plans to slim its European operations down further. But Tom Swayne, Chase's area executive for Europe, Africa and the Middle East, denies that Chase is withdrawing from the Continent.

"We're trying to concentrate on what we do well," says Mr. Swayne, "such as corporate finance, global custody and private banking." Chase is also expanding its credit card business.

Wells Fargo has tried to make up for its pullback in Asia by forming an alliance with the Hongkong and Shanghai Banking Corporation, through which Wells Fargo customers can obtain letters of credit and other services for their Asian business. Mary Carryer, the Wells Fargo senior vice president in charge of international trade services, says the bank would like to form a similar alliance with a European bank, but any such agreement is a few years down the road: "There isn't a predominant bank in Europe that provides all the services — but they are moving in that direction."

Might the reduction in American banking activities in Europe eventually lead to the creation of European banking giants that will encroach upon the business of U.S. banks at home?

"I agree that it's a possibility," says Ms. Carryer. But she believes that Wells Fargo can provide services that foreign banks cannot match. Other banking executives argue that to expand abroad once again, U.S. banks must improve their position domestically.

Steve Dryden

Spain and Portugal / Restructuring

Iberian Institutions Hustle To Make Up for Lost Time

Once protected from outsiders' rivalry, the banking sectors in Spain and Portugal have been forced to become more competitive now that foreign banks have been allowed to establish wholesale and retail operations on Spanish and Portuguese soil.

Both countries will have to upgrade their solvency ratios, product diversity and services before they enter the EC (in 1993 for Spain and two years later for Portugal) in order to compete effectively. This will be a healthy prospect, according to Joaquin Tamames, head of Madrid-based analysts Research Associates. In his view, Spanish banks have begun efforts to capture larger market shares.

Only one Spanish bank is in Lisbon

Staff and property costs have soared in the past decade, increasing banks' operating costs. Many banks have made heavy investments in automation and staff training as well. Santander and Banco Hispano Americano have been driving down the average age and driving up the average skills of their employees, hiring a majority of young graduates and pensioning off older staff. Santander has the lowest average staff age — 32 — of any Spanish bank. All these efforts to upgrade are costly.

In addition to trying new tactics in order to keep their local clients after 1992, Spanish banks are trying to establish a stronger position throughout Europe. In recent years they have negotiated alliances with major banks in France, West Germany, Belgium and Italy in the belief that working through and with allies is more practical than attempting to build new EC branch networks. Spanish banks have also been researching opportunities closer to home, in Portugal.

Only the ongoing effort of successive Portuguese governments to stem the incoming Spanish flow has kept Spain's main banks from dominating the Portuguese banking sector. "We would like reciprocity," says Baldomero Falcones, international director of Banco Hispano Americano. He points out that, so far, three Portuguese banks — Banco Portugues do Atlantico (BPA), Banco Espirito Santo e Comercial de Lisboa (BESCL), both nationalized, and Banco de Fomento da Exportaçao, a development bank set to be partly privatized next year — have been granted full branches in Spain. Only one Spanish bank, Banco Exterior de España (BEE), has been allowed a Lisbon branch, following a nine-year wait. English, French, U.S. and Belgian banks who applied years after BEE received their Portuguese licenses earlier.

Hispano Americano wants a full bank in Portugal. Until 1995, when Portuguese authorities may still hate the idea of Spanish competition but can no longer officially block it, Hispano Americano is building up Portuguese affiliates — an investment company, a brokerage, a property fund and a leasing company.

Whether in Lisbon, Madrid, Barcelona or Santander, bankers seem to agree that the key to post-1992 success is cooperation or association with an established EC bank. Hispano Americano, for instance, has made a 10-percent-each share swap with Germany's Commerzbank; the partners are developing joint products like travel and trade cards. Commerzbank eventually will help Hispano Americano enter the growing European market through the West German bank's planned branch network.

Diana Smith

Barbara Casassus is a Paris-based free-lance writer.
Steve Dryden is a Washington-based free-lance journalist.
Timothy Harper is a London-based American journalist and lawyer.
Axel Krause is corporate editor of the International Herald Tribune.
Michael Rowe is a Paris-based financial and business writer.
Diana Smith is a business journalist based in Madrid.
Terry Swartzberg is editor-in-chief of Who's Who Edition European Business and Industry.

The next installment in the 1992 series will appear on Oct. 22 and will focus on Eastern Europe.

1492
Christopher Columbus discovers America.
500 Years later
1992
The Europeans discover Europe.

NOW. Discover Germany by learning German

PLEASE SEND ME FREE DETAILS OF YOUR LANGUAGE COURSES IN GERMANY.

OR IN _____ COUNTRY

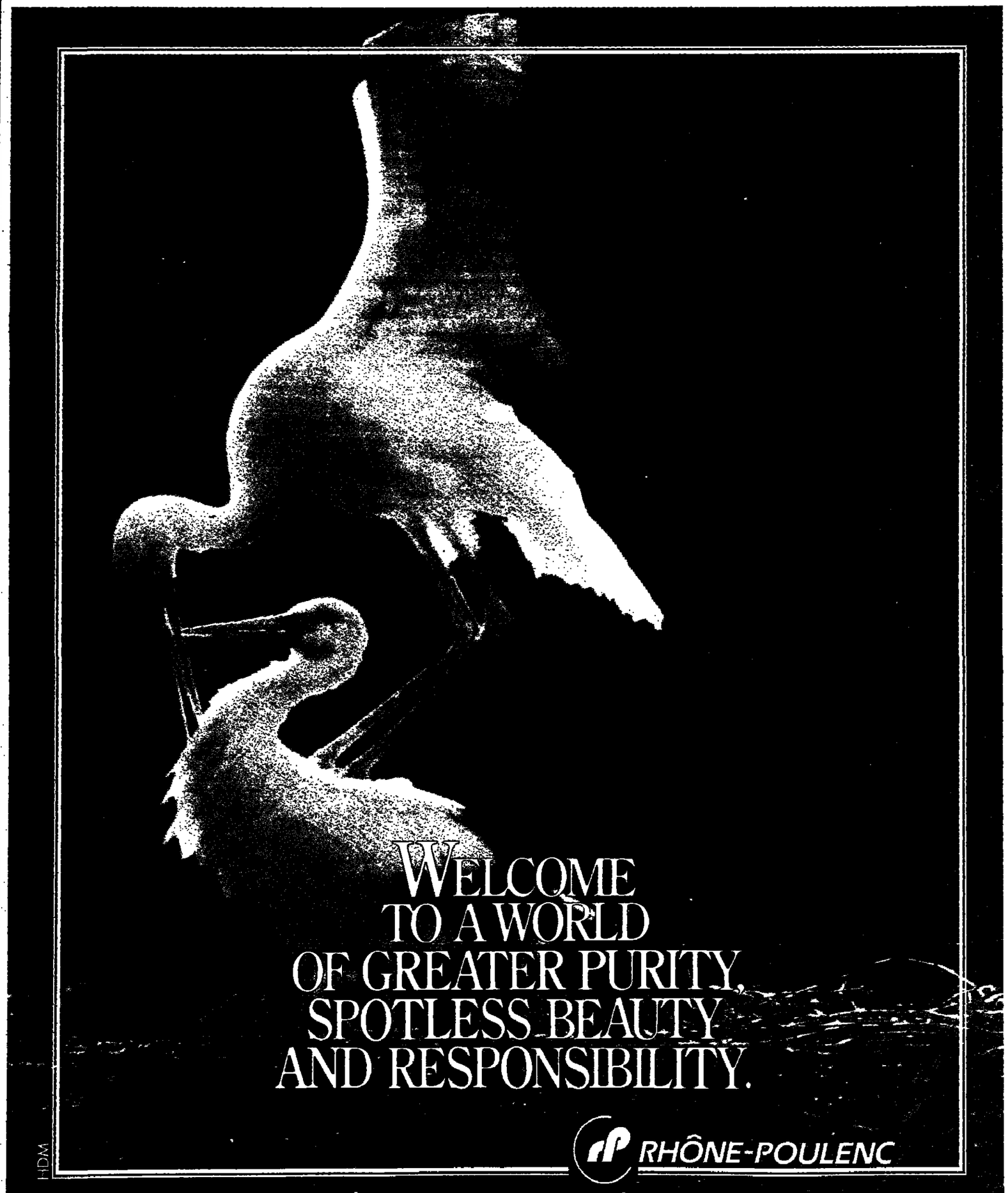
NAME _____

ADDRESS _____

GOETHE-INSTITUT

LENBACHPLATZ 3 · D-8000 MÜNCHEN 2 · TEL.: 089/59 99-200

1290



Respect for nature, development of clean technologies, upgrade wastes, energy recovery, reduction of effluents in air and water, implementation of new processes to prevent and cope with harmful effects of effluents. Through its philosophy of corporate responsibility, Rhône-Poulenc works for the protection of the natural surroundings and helps to preserve tomorrow's world.

MONDAY SPORTS

Austria 1 Set From Upset Of U.S. in Davis Cup Semi

Compiled by Our Staff From Dispatches

VIENNA — Horst Skoff and Thomas Muster put Austria within one set of a Davis Cup semifinal victory over the United States before darkness halted play Sunday.

Skoff led Michael Chang, 6-3, 7-6 (7-4), 4-6, when their match was suspended. Muster had played nearly flawless tennis in beating a mistake-prone Andre Agassi, 6-2, 6-2 7-6 (7-2) to tie the best-of-five series at 2-2.

Skoff and Chang will complete their match on Monday, with the winning team facing Australia in the Davis Cup final Nov. 30-Dec. 2. The Australians defeated Argentina, 5-0, in the other semifinal, which was played in Sydney.

In qualifying for the 1991 finals, Yugoslavia beat Switzerland, 3-2; France shut out Britain; Sweden blanked Finland; Canada held a 2-1 lead over the Netherlands; Spain defeated the Soviet Union, 4-1, and Mexico had beaten Uruguay, 3-0. *(See Scoreboard)*

The Skoff-Chang match started an hour late because of rain.

Skoff, yelling on nearly every shot he hit, volleyed well and outlasted Chang on several long baseline rallies to win the first two sets.

Skoff won the first four games, then survived a service break in winning the first set. He won the last three points of the tiebreaker that decided the second set.

Chang rallied in the third set, capitalizing on careless errors by Skoff and breaking him in the third game. He won the set on his third set point, ending the game with a forehand winner.

Muster, who is 24-0 in Davis Cup matches on clay courts, kept Agassi off balance with sharp passing shots, well-disguised lobs and delicate drop shots.

Agassi made 58 unforced errors. He started tentatively and could not slow Muster, urged on by 18,000 fans including Austria's president, Kurt Waldheim.

Muster took just over two hours to thrash the U.S. and French Open finalist, winning the tiebreaker on a passing backhand.

He had rocketed into a two-sets-to-zero lead in only 67 minutes, using his big serve and whiplash forehand to full effect.

Agassi, broken twice without reply in each of those sets, did not settle down until the start of the third, when he saved a break point, held his serve and went on to build a lead of 3-0 and get to breakpoint.

But Muster, with the crowd chanting, held his service, broke back in the fifth game and took the set and the match to the decisive tiebreaker.

"It was just nerves, it was just something I felt," Agassi said. "It would have been a lot easier if the crowd had been for me. Next time we play, hopefully it will be some place outside Austria."

The final will be played at in Melbourne if Austria wins its semifinal and in Tampa, Florida, if the United States advances.

Austria is in the Davis Cup semifinals for the first time and is savoring its chance to beat the United States, which holds a record 28 Davis Cup titles.

The U.S. entered the day with a 2-1 lead, having won Saturday's doubles and split Friday's singles.

The Australia-Argentina semifinal was decided Saturday when Mark Kratzmann and Darren Cahill, although needing 28 games in the fifth set, beat Javier Frana and Christian Miniussi, 3-6, 7-6 (7-5), 7-6 (8-6), 4-6, 15-13. The match took 4 hours, 15 minutes.

Pat Cash and Wally Masur scored straight-sets victories for Australia in Sunday's meaningless reverse singles matches.

Australia reached the Davis Cup final for the 42d time. It has won the tournament 26 times.

(AP, Reuters)

Agence France-Presse

Thomas Muster shouted it out after his rout of Andre Agassi.

Mansell Wins Shortened Prix

The Associated Press

ESTORIL, Portugal — Nigel Mansell of Britain won the Portuguese Grand Prix on Sunday in a race cut short because of an accident with nine laps left.

Mansell was leading by three seconds over Ayrton Senna of Brazil. Alain Prost of France third, less than a second behind Senna.

Alex Caffi of Italy, in eighth place, crashed and was trapped in his car just off the track. The stewards stopped the race, with the results reverting to the standings after the 61st lap, although Mansell had completed 62 laps.

That gave Mansell, in a Ferrari, his 16th victory. Senna's second-place finish, worth six points, stretched his margin over Prost in the overall drivers' standings to 18 points with three races left.

Caffi was not seriously injured although he was taken away by helicopter to a hospital.

Senna led for the first 29 laps, until he went in for a tire change. After the top four pitted, Senna again led from the 31st until the 50th, when Mansell went by him on the first turn.

SIDELINES

China Opens Asian Games in Victory

BEIJING (AP) — A 44-kilogram (97-pound) farmer's daughter won the first event of the 1990 Asian Games as China took all eight of Sunday's gold medals, three in women's weightlifting, four in swimming and one in men's team gymnastics.

Weightlifter Xing Fen, 17, surpassed her own world record of 92.5 kilograms with a clean and jerk of 95 kilograms. However, the International Weightlifting Federation recognizes only records set at world meets.

Kuwait, which sent a team-in-exile after Iraq invaded that country on Aug. 2, started the soccer competition with a 2-1 victory over Hong Kong.

Woosnam Wins World Match Play

VIRGINIA WATER, England (AP) — Ian Woosnam of Wales beat Mark McNulty of Zimbabwe, 4 and 2, Sunday to win his second World Match Play golf title in four years. *(See Scoreboard)*

McNulty tied with a long putt at No. 27, but Woosnam regained the lead on the next hole after McNulty sliced into the trees.

For the Record

Ben Johnson, whose two-year suspension for steroid use ends Monday, and Carl Lewis will not be allowed to compete in a one-on-one 100-meter race, Primo Nebiolo, president of the International Amateur Athletics Federation, said in Beijing. *(UPI)*

Jean-Marc Besozzi of France and Horst Lotz of West Germany were killed and four others injured in a mass crash during the Bol d'Or 24-hour endurance motorcycle race Saturday in Le Castellet, France. *(Reuters)*

Peter Elliot of Britain won the Mercedes Mile in New York for the second consecutive time Saturday and American PattiSue Plumer won the women's division. *(See Scoreboard)* *(AP)*

Minnie Minoso, 68, hoping to be the first to play in the major leagues in six decades, cannot be activated by the Chicago White Sox, the commissioner has ruled. *(AP)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	82	70	.539	—
Toronto	82	70	.539	—
Detroit	73	79	.480	9
Cleveland	73	80	.477	9½
Baltimore	69	81	.460	12
Milwaukee	69	82	.457	12½
New York	61	91	.401	21

West Division

	W	L	Pct.	GB
Oakland	97	54	.642	—
Chicago	88	64	.579	9½
Texas	80	71	.530	17
California	75	76	.497	22
Seattle	74	79	.484	24
Kansas City	70	81	.464	27
Minnesota	69	84	.451	29

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	87	65	.572	—
New York	84	67	.556	2½
Montreal	81	70	.536	5½
Chicago	72	79	.477	14½
Philadelphia	71	80	.470	15½
St. Louis	68	84	.447	19

West Division

	W	L	Pct.	GB
Cincinnati	86	66	.566	—
Los Angeles	82	70	.539	4
San Francisco	77	75	.507	9
San Diego	71	81	.467	15
Houston	70	82	.461	16
Atlanta	61	91	.401	25

Pennant Races

REMAINING GAMES

AMERICAN LEAGUE

East Division

BOSTON (10) — HOME (8): Sept. 25, 26, Cleveland; 28, 29, 30, Toronto; Oct. 1, 2, 3, Chicago. AWAY (2): Sept. 23, New York; 27, Detroit.

TORONTO (10) — HOME (1): Sept. 23, Cleveland. AWAY (9): Sept. 24, 25, 26, Milwaukee; 28, 29, 30, Boston; Oct. 1, 2, 3, Baltimore.

NATIONAL LEAGUE

East Division

PITTSBURGH (10) — HOME (7): Sept. 23, St. Louis; 25, 26, 27, Chicago; Oct. 1, 2, 3, New York. AWAY (3): Sept. 28, 29, 30, St. Louis.

NEW YORK (11) — HOME (3): Sept. 28, 29, 30, Chicago. AWAY (8): Sept. 23, 24, Chicago; 25, 26, 27, Montreal; Oct. 1, 2, 3, Pittsburgh.

MONTREAL (11) — HOME (9): Sept. 25, 26, 27, New York; 28, 29, 30, Philadelphia; Oct. 1, 2, 3, St. Louis. AWAY (2): Sept. 23, 24, Philadelphia.

West Division

CINCINNATI (10) — HOME (9): Sept. 25, 26, 27, Atlanta; 28, 29, 30, San Diego; Oct. 1, 2, 3, Houston. AWAY (1): Sept. 23, San Diego.

LOS ANGELES (10) — HOME (4): Sept. 23, San Francisco; Oct. 1, 2, 3, San Diego. AWAY (6): Sept. 24, 25, 26, Houston; 28, 29, 30, San Francisco.

Friday's Line Scores

AMERICAN LEAGUE

Boston 000 002 010—3 8 0
New York 000 000 000—0 3 1

Kiecker, Andersen (8) and Pena; Cary, Plunk (9) and Leyritz, Geren (9). W—Kiecker, 7-9. L—Cary, 5-11. Sv—Andersen (1). HRs—Boston, Burks (20), Greenwell (13).

Texas 000 101 000—2 5 0
Minnesota 010 000 000—1 2 0

Witt and Petralli; Tapani, Berenguer (6) and Harper. W—Witt, 17-9. L—Berenguer, 8-5.

Milwaukee 010 000 002—3 6 2
Baltimore 002 030 00x—5 4 1

Robinson and Surhoff; Hornisch, Bautista (8), Ballard (8), Olson (9) and Hoiles. W—Harnisch, 11-11. L—Robinson, 11-4. Sv—Olson (33). HR—Milwaukee, Vaughn (15).

California 003 010 710—12 16 0
Kansas City 000 002 030—5 11 0

McCaskill, Eichhorn (8) and Parrish; Saberhagen, Crawford (6), M. Davis (7), Maldonado (9) and Boone, Mayne (8). W—McCaskill, 12-10. L—Saberhagen, 5-8. HRs—California, Hill (3). Kansas City, Jackson (26).

Cleveland 001 000 000 000 1—2 6 1
Toronto 000 001 000 000 0—1 8 0

(13 innings)

Farrell, Orosco (6), Olin (8), E. Valdez (10), Jones (13) and Alomar; Wells, Ward (9), Wills (12) and Myers, Borders (8). W—E. Valdez, 1-1. L—Wills, 6-4. Sv—Jones (39). HR—Cleveland, Alomar (13).

Detroit 110 000 030—5 11 0
Oakland 010 001 40x—6 10 0

Tanana, Parker (7), Gibson (7), Nunez (7), Aldred (7), Petry (8) and Heath, Salas (8); Welch, Honeycutt (8), Eckersley (8) and Hassey, Quirk (7). W—Welch, 25-6. L—Parker, 3-3. Sv—Eckersley (44). HR—Oakland, McGwire (39).

Chicago 020 030 000—5 8 1
Seattle 000 020 200—4 7 1

King, Edwards (6), Jones (8), Thigpen (9) and Fisk; Johnson, Swan (2), Burba (5), Swift (8), Comstock (8) and Bradley, Valle (7). W—King, 11-4. L—Johnson, 13-10. Sv—Thigpen (52). HR—Chicago, Sosa (15).

NATIONAL LEAGUE

New York 020 000 010—3 4 2
Chicago 100 200 01x—4 6 0

Cone, Innis (8), Schatzeder (8) and O'Brien; Wilson, Assenmacher (8) and Girardi. W—Assenmacher, 6-2. L—Cone, 12-10. HRs—New York, Johnson (22). Chicago, Grace (9), Dawson (24).

St. Louis 000 000 000—0 5 0
Pittsburgh 000 000 10x—1 4 0

De Leon, Di Pino (7), Dayley (8) and Pagnozzi; Z. Smith and LaValliere. W—Z. Smith, 11-8. L—De Leon, 7-18.

Houston 000 003 000 1—4 7 1
Atlanta 001 000 002 0—3 9 0

(10 innings)

Deshaies, Meyer (9), Osuna (9), Hernandez (9), Agosto (9) and Nichols; Avery, Clary (3), Castillo (6), Freeman (6), Grant (8), Mercker (10) and Mann, Olson (6). W—Agosto, 9-7. L—Mercker, 4-6. HRs—Houston, Anthony (10), Simms (1).

Montreal 000 004 000 000—4 6 1
Philadelphia 200 010 100 001—5 15 0

(12 innings)

De. Martinez, Ruskin (7), Rojas (7), Frey (9), Sampen (10) and Fitzgerald; De Jesus, Boever (8), Akerfelds (9), Carman (9), McDowell (10), Malone (12) and Daulton. W—Malone, 1-0. L—Sampen, 11-7. HRs—Montreal, Galarraga (20). Philadelphia, Dykstra (8).

Cincinnati 320 000 720—10 13 1
San Diego 000 000 001—1 5 1

Rijo and Oliver; Rasmussen, Schiraldi (3), Show (8) and Santiago, Parent (7). W—Rijo, 13-7. L—Rasmussen, 11-14. HRs—Cincinnati, Larkin (7), Davis (23).

San Francisco 110 000 100—3 9 2
Los Angeles 510 513 01x—16 20 1

Robinson, O'Neal (4), Novoa (5), McClellan (6) and Decker; Morgan, Wetteland (9) and Scioscia, Hernandez (8). W—Morgan, 11-14. L—Robinson, 10-7. HRs—San Francisco, Decker (2), Leonard (1).

Saturday's Line Scores

AMERICAN LEAGUE

Cleveland 000 302 000—5 12 0
Toronto 000 100 100—2 13 0

Shaw, C. Ward (7), D. Jones (9) and Alomar; T. Stottlemyre, Blair (6), A. Leiter (7), Cerutti (9) and Borders. W—Shaw, 3-4. L—T. Stottlemyre, 13-16. Sv—D. Jones (40). HRs—Cleveland, Maldonado (21), C. James (12). Toronto, Gruber (29).

California 201 000 000—3 7 2
Kansas City 100 011 10x—4 10 1

J. Abbott and Orton; Wagner, McGaffigan (7), M. Davis (7), Montgomery (9) and Macfarlane. W—M. Davis, 2-7. L—J. Abbott, 10-14. Sv—Montgomery (21). HRs—California, Winfield (20). Kansas City, Brett (13).

Detroit 000 010 000—1 2 1
Oakland 100 001 21x—5 5 1

Searcy, C. Parker (6), Gibson (6), Henneman (7), Gleaton (7) and Salas, Heath (7); Sanderson, Nelson (7), Honeycutt (8) and Steinbach. W—Sanderson, 17-10. L—Searcy, 2-6. Sv—Honeycutt (7). HR—Oakland, R. Henderson (27).

Boston 000 011 000—2 6 2
New York 000 100 13x—5 9 2

Boddicker, Murphy (7), Andersen (7), Gray (8) and Marzano, Pena (1); Adkins, J. D. Robinson (7), Cadaret (7), Plunk (8), Righetti (9) and Nokes, Geren (9). W—Plunk, 6-3. L—Gray, 2-4. Sv—Righetti (33). HR—Boston, Burks (21).

Texas 000 000 000—0 3 1
Minnesota 000 001 10x—2 11 0

Chiamparino, Jo. Barfield (7), Arnsberg (8) and Stanley, Petralli (8); A. Anderson, Casian (6), Garces (8) and Harper. W—Casian, 1-1. L—Chiamparino, 0-2. Sv—Garces (1).

Milwaukee 000 100 100—2 8 3
Baltimore 000 300 00x—3 6 0

K. D. Brown, Machado (8), Lee (8) and Surhoff; D. Johnson, D. Boone (7), Bautista (8), Hickey (9) and Hoiles. W—D. Johnson, 12-8. L—K. D. Brown, 0-1. Sv—Hickey (1). HR—Baltimore, Devereaux (9).

Chicago 204 224 000—14 18 0
Seattle 320 000 000—5 11 2

M. Perez, Peterson (2), Rosenberg (3), Pall (7) and Fisk, Karkovice (7); Gardiner, Knackert (3), Melendez (5), Lovelace (7), M. Jackson (8), Medvin (9) and Valle, Sinatro (7). W—Rosenberg, 1-0. L—Knackert, 1-1. Sv—Pall (2). HRs—Chicago, Ventura (5), Fisk (18).

NATIONAL LEAGUE

St. Louis 000 001 020—3 7 0
Pittsburgh 100 001 002—4 6 0

Hill, Dayley (8), Le. Smith (8) and Pagnozzi; Tomlin, Belinda (8), Landrum (8) and LaValliere. W—Hill, 5-4. L—Tomlin, 3-4. Sv—Le. Smith (27). HR—Pittsburgh, Bonds (33).

New York 020 000 711—11 12 1
Chicago 200 001 101—5 11 0

Darling, Whitehurst (7) and Sasser, O'Brien (7); Nunez, Pavlas (5), Coffman (6), M. Williams (7), Long (9) and Berryhill. W—Darling, 6-9. L—Nunez, 3-7. HRs—New York, Boston (10), Strawberry (36). Chicago, Dawson (25).

Houston 001 000 000—1 6 1
Atlanta 102 000 00x—3 5 2

Darwin, Osuna (7), Clancy (8) and Biggio; Leibrandt and Kremers. W—Leibrandt, 9-10. L—Darwin, 11-4.

Montreal 000 011 000—2 7 1
Philadelphia 002 100 00x—3 8 1

S. Anderson, Rojas (5), Ruskin (7), Burke (7) and Santovenia, Mercado (8); Greene, Akerfelds (7), Carman (8), Boever (8), R. McDowell (9) and Daulton. W—Greene, 2-2. L—S. Anderson, 0-1. Sv— R. McDowell (20). HR—Philadelphia, Morandini (1).

First Game

Cincinnati 100 002 201—6 13 0
San Diego 202 000 000—4 8 2

Scudder, Layana (4), Dibble (6), Myers (8) and Oliver; Hurst, G. Harris (7), Show (9) and Parent, Santiago (8). W—Dibble, 8-3. L—G. Harris, 8-8. Sv—Myers (30). HR—San Diego, Lynn (6).

Second Game

Cincinnati 000 003 600—9 12 1
San Diego 100 100 021—5 12 0

Browning, Mahler (6) and Oliver, J. Reed (7); Hammaker, Show (7), Rl. Rodriguez (7), Lefferts (9) and Santiago. W—Browning, 14-9. L—Hammaker, 4-9. Sv—Mahler (4). HRs-San Diego, Ja. Clark (2), Ja. Clark (24).

San Francisco 000 000 111—3 8 0
Los Angeles 000 005 01x—6 8 0

La Coss, Oliveras (6), T. Wilson (8) and Decker; Cook, Crews (7), J. Howell (9) and Scioscia. W—Cook, 9-3. L—LaCoss, 6-4. HRs—San Francisco, Williams (31). Los Angeles, Samuel (12).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
x-Yomiuri	84	39	0	.683	—
Hiroshima	59	59	2	.500	22½
Taiyo	58	60	3	.492	23½
Chunichi	60	65	1	.480	25
Yakult	54	67	0	.446	29
Hanshin	49	74	0	.398	35

x-clinched league title

Pacific League

	W	L	T	Pct.	GB
x-Seibu	74	39	4	.650	—
Orix	63	53	4	.542	12½
Nippon Ham	61	55	1	.526	14½
Kintetsu	59	56	1	.513	16
Lotte	45	62	2	.422	26
Daiei	37	74	3	.338	36

x-clinched league title

SATURDAY'S RESULTS

Hiroshima 5, Yomiuri 0
Chunichi 9, Taiyo 1
Hanshin 4, Yakult 1
Nippon Ham 6, Seibu 4
Orix 2, Lotte 1, 11 innings

SUNDAY'S RESULTS

Yomiuri 7, Hiroshima 5
Chunichi 10, Taiyo 6
Hanshin 5, Yakult 3
Seibu 9, Nippon Ham 3
Orix 5, Lotte 3
Kintetsu 3, Daiei 3, 12 innings

GOLF

World Match Play

In Virginia Water, England

Semifinals:

Ian Woosnam, Wales, def. Chip Beck, U.S., 5 and 3; Mark McNulty, Zimbabwe, def. Greg Norman, Australia, 3 and 2.

Third Place

Greg Norman drew with Chip Beck after 20 holes

Final:

Ian Woosnam def. Mark McNulty 4 and 2.

FOOTBALL

College Football

EAST

Army 41, VMI 17
Bucknell 41, Columbia 16
Colgate 59, Cornell 24
Dartmouth 33, Lehigh 14
Harvard 26, Northeastern 0
Holy Cross 17, Penn 3
Louisville 9, West Virginia 7
Navy 23, Villanova 21
New Hampshire 28, Maine 20
Penn St. 28, Rutgers 0
Pittsburgh 20, Syracuse 20, tie
Princeton 23, Fordham 14
Rhode Island 23, Brown 3
Yale 18, Lafayette 17

SOUTH

Citadel 21, Marshall 10
Clemson 48, Appalachian St. 0
Florida 27, Furman 3
Florida St. 31, Tulane 13
Georgia 17, Alabama 16
Georgia Tech 44, Tn.-Chattanooga 9
Grambling St. 22, Hampton U. 3
Howard U. 23, S. Carolina St. 20, OT
James Madison 29, Richmond 0
Maryland 13, N. Carolina St. 12
Memphis St. 37, Cent. Florida 28
Mississippi St. 13, S. Mississippi 10
North Carolina 14, Kentucky 13
South Carolina 35, Virginia Tech 24
Vanderbilt 24, LSU 21
Virginia 59, Duke 0
William & Mary 24, Connecticut 7

MIDWEST

Akron 48, Fullerton St. 17
Cent. Michigan 17, Bowling Green 0
Illinois 56, S. Illinois 21
Indiana 58, Missouri 7
Iowa 45, Iowa St. 35
Miami, Ohio 14, Cincinnati 12
Michigan 38, UCLA 15
N. Illinois 42, Kansas St. 35
Nebraska 56, Minnesota 0
Notre Dame 20, Michigan St. 19
Ohio U. 42, Tennessee Tech 32
Purdue 41, Indiana St. 13
Temple 24, Wisconsin 18
Toledo 28, Ball St. 16
W. Michigan 37, Kent St. 10
Youngstown St. 24, E. Michigan 14

SOUTHWEST

Baylor 13, Sam Houston St. 9
Colorado 29, Texas 22
Mississippi 21, Arkansas 17
Oklahoma 52, Tulsa 10
Rice 31, Northwestern 14
Texas A&M 48, North Texas 8
Texas Christian 31, Oklahoma St. 21

FAR WEST

Arizona 22, Oregon 17
Boise St. 34, Boston U. 21
Brigham Young 62, San Diego St. 34
Colorado St. 38, Texas-El Paso 20
Fresno St. 42, New Mexico St. 3
Hawaii 19, Utah 7
Idaho 37, Weber St. 27
Long Beach St. 28, Pacific U. 7
Montana 45, McNeese St. 22
Nevada 20, Montana St. 14
San Jose St. 47, UNLV 13
Stanford 37, Oregon St. 3
Texas Tech 34, New Mexico 32
Washington 31, Southern Cal 0
Washington St. 41, California 31
Wyoming 24, Air Force 12

TENNIS

Davis Cup

WORLD GROUP SEMIFINALS

Australia 5, Argentina 0

In Sydney

Singles: Pat Cash def. Alberto Mancini, 6-1, 6-1, 6-2; Wally Masur def. Martin Jaite, 3-6, 6-7 (4-7), 6-4, 6-0, 6-2; Cash def. Jaite, 7-5, 6-2; Masur def. Javier Frana, 6-2, 6-2.

Doubles: Mark Kratzmann and Darren Cahill def. Javier Frana and Christian Miniussi, Argentina, 3-6, 7-6 (7-5), 7-6 (8-6), 4-6, 15-13.

United States 2, Austria 2

In Vienna

Singles: Thomas Muster, Austria, def. Michael Chang, 4-6, 6-2, 6-2, 6-4; Andre Agassi, U.S., def. Horst Skoff, 7-6 (7-3), 6-0, 6-1; Muster def. Agassi, 6-2, 6-2, 7-6 (7-2); Skoff led Chang 6-3, 7-6 (7-4), 4-6, play halted by darkness and match to resume on Monday.

Doubles: Rick Leach and Jim Pugh, U.S., def. Muster and Alex Antonitsch, 7-6 (7-4), 3-6, 6-0, 7-5.

WORLD GROUP QUALIFYING

Yugoslavia 3, Switzerland 2

In Split, Yugoslavia

Singles: Goran Ivanisevic, Yugoslavia, def. Marc Rosset, 6-4, 4-6, 6-7 (2-7), 6-3, 6-2; Jakob Hlasek, Switzerland, def. Goran Prpic, 3-6, 6-4, 7-6 (7-3), 6-4; Ivanisevic def. Claudio Mezzadri, 6-1, 6-4, 6-2; Rosset def. Prpic 6-4, 7-6 (7-2).

Doubles: Ivanisevic and Prpic def. Hlasek and Rosset, 3-6, 6-3, 6-4, 6-2.

France 5, Britain 0

In London

Singles: Henri Leconte def. Nick Brown, 6-3, 7-6 (7-5), 6-2; Guy Forget def. Jeremy Bates, 2-6, 7-6 (7-5), 5-4, 6-1; Leconte def. Bates, 7-6 (7-5), 6-0; Forget def. Brown, 6-3, 6-2.

Doubles: Leconte and Forget def. Bates and Andrew Castle, 6-1, 6-4, 6-4.

Sweden 5, Finland 0

In Vasteras, Sweden

Singles: Stefan Edberg, Sweden, def. Aki Rahunen, 6-1, 6-1, 7-6 (7-5); Jonas Svensson, Sweden def. Veli Paloheimo, 6-1, 6-1, 6-1; Edberg def. Paloheimo, 3-6, 6-4, 6-0; Svensson, def. Rahunen, 6-4, 6-0.

Doubles: Edberg and Peter Lundgren def. Paloheimo and Olli Rahnasto, 6-2, 6-1, 6-2.

Canada 2, Netherlands 1

In Toronto

Singles: Mark Koevermans, Netherlands, def. Chris Pridham, 7-6 (7-5), 6-4, 6-3; Grant Connell, Canada, def. Paul Haarhuis, 7-6 (7-4), 6-4, 6-4.

Doubles: Connell and Glenn Michibata def. Haarhuis and Koevermans, 7-6 (7-5), 7-6 (7-5), 6-2.

Spain 4, Soviet Union 1

In Moscow

Singles: Sergio Bruguera, Spain, def. Andrei Chesnokov, 6-2, 6-7 (6-8), 6-2, 6-3; Emilio Sanchez, Spain, def. Andrei Cherkasov 6-3, 6-7 (7-9), 6-3, 6-4; Cherkasov def. Bruguera 6-4, 7-6 (9-7); Sanchez def. Chesnokov 7-6 (7/3), 7-5.

Doubles: Sanchez and Sergio Casal def. Alexander Volkov and Vladimir Gabrichidze 4-6, 6-3, 6-3, 6-4, 6-3.

Mexico 3, Uruguay 0

In Mexico City

Singles: Leonardo Lavalle def. Diego Perez 6-7 (2-7), 6-2, 4-6, 6-3, 6-2; Jorge Lozano def. Marcelo Filipini 6-4, 6-4, 6-2.

Doubles: Lozano and Luis Enrique Herrera def. Perez and Filippini, 6-4, 7-6, 4-6, 7-5.

WOMEN'S TOURNAMENT

Paris Women's Open

Singles Semifinals

Conchita Martinez, Spain, def. Julie Halard, France, 6-1, 6-2; Patricia Tarabini, Argentina, def. Sandra Cecchini, Italy, 6-4, 7-6.

Final

Conchita Martinez def. Patricia Tarabini 7-5, 6-3.

SOCCER

WEST GERMAN FIRST DIVISION

Wattenscheid 0, Hamburg 1
Bayern Munich 2, VfL Bochum 2
Hertha BSC Berlin 0, Werder Bremen 0
Borussia Dortmund 1, Borussia Moenchengladbach 1
Eintracht Frankfurt 1, FC Cologne 0
FC St. Pauli 2, VfB Stuttgart 2
Bayer Leverkusen 1, Karlsruhe SC 0
Bayer Uerdingen 3, FC Kaiserslautern 7
FC Nuremberg 3, Fortuna Duesseldorf 0

Standings: Kaiserslautern, Bayern Munich and Bayer Leverkusen 11; Eintracht Frankfurt 10; Cologne and Bochum 8; FC Nuremberg, VfB Stuttgart, Werder Bremen and Borussia Dortmund 7; Hamburg, Wattenscheid, St. Pauli and Fortuna Duesseldorf 6; Bayer Uerdingen 5; Karlsruhe and Borussia Moenchengladbach 4; Hertha Berlin 2.

ENGLISH FIRST DIVISION

Sheffield United 0, Leeds 2
Aston Villa 2, Queens Park Rangers 2
Chelsea 1, Manchester City 1
Everton 2, Liverpool 3
Luton 1, Coventry 0
Manchester United 3, Southampton 2
Norwich 2, Derby 1
Nottingham Forest 0, Arsenal 2
Tottenham 1, Crystal Palace 1
Wimbledon 2, Sunderland 2

Standings: Liverpool 18; Arsenal 14; Manchester United 13; Tottenham and Crystal Palace 12; Manchester City 11; Luton 10; Leeds 9; Queen's Park Rangers and Aston Villa 8; Southampton and Chelsea 7; Sunderland, Nottingham Forest, Wimbledon and Norwich 6; Coventry 5; Everton; Sheffield United and Derby 2.

FRENCH FIRST DIVISION

Metz 2, Paris St.Germain 2
Nantes 2, St. Etienne 1
Bordeaux 1, Sochaux 0
Marseille 0, Cannes 1
Toulouse 0, Nancy 0
Nice 0, Toulon 0
Lyon 0, Rennes 0
Caen 0, Monaco 2
Lille 1, Brest 0

Standings: Marseille 16; Monaco 13; Auxerre and Lyon 12; Caen, Paris SG, Brest and Lille 11; Montpellier, Metz, Nantes and Bordeaux 10; Nice, Cannes and Toulouse 9; Toulon 8; Nancy and Rennes 7; Sochaux and St. Etienne 6.

ITALIAN FIRST DIVISION

Atalanta of Bergamo 2 Cagliari 1
Cesena 1 Juventus of Turin 1
Lecce 1 Lazio of Rome 0
AC Milan 2 Fiorentina 1
Parma 1 Napoli 0
Pisa 0 Genoa 0
AS Roma 1 Bari 0
Sampdoria of Genoa 2 Bologna 1
Torino 2 Internazionale of Milan 0

Standings: AC Milan 6; Pisa, Atalanta and Sampdoria 5; Internazionale, Roma and Juventus 4; Genoa, Torino, Parma and Lecce 3; Lazio, Bari and Cagliari 2; Cesena, Napoli and Fiorentina 1; Bologna 0.

DUTCH FIRST DIVISION

Willem II Tilburg 3, Feyenoord Rotterdam 2
Sparta Rotterdam 1, FC Groningen 1
Ajax Amsterdam 3, Volendam 1
FC Den Haag 3, FC Utrecht 1
RKC Waalwijk 3, MVV Maastricht 2
SC Heerenveen 0, PSV Eindhoven 3
Vitesse Arnhem 2, Fortuna Sittard 3
SVV 1 FC, Twente 1
Roda JC Kerkrade 2, NEC Nijmegen 2.

Standings: PSV and Ajax 8; Fortuna S. 7; Willem II, FC Groningen, NEC, FC Twente and RKC 6; Feyenoord, Vitesse and Sparta 5; Volendam 4, FC Den Haag, Roda JC, SVV and SC Heerenveen 3; MVV 2.

TRANSACTIONS

BASEBALL

American League

CLEVELAND—Claimed Steve Cummings, pitcher, from Toronto as part of Sept. 17 trade for Bud Black.

AUTO RACING

Portuguese Grand Prix

Result of Sunday's Portuguese Grand Prix, curtailed after 61 of the scheduled 71 laps:

1. Nigel Mansell, Britain, Ferrari, 1 hour, 22 minutes, 11.014 seconds; 2. Ayrton Senna, Brazil, McLaren Honda, at 2.808 seconds; 3. Alain Prost, France, Ferrari, 4.189; 4. Gerhard Berger, Austria, McLaren Honda, 5.896.

5. Nelson Piquet, Brazil, Benetton Ford, 57.418; 6. Alessandro Nannini, Italy, Benetton Ford, 58.249; 7. Riccardo Patrese, Italy, Williams Renault; 8. Jean Alesi, France, Tyrrell Ford; 9. Michele Alboreto, Italy, Arrows Ford, all at one lap. 10. Nicola Larini, Italy, Ligier.

Drivers' Standings: 1. Senna 78 points; 2. Prost 60; 3. Berger 40; 4. Thierry Boutsen, Belgium, 27; 5. Piquet 26; 6. Mansell 25; 7. Patrese and Nannini, 17; 9. Alesi 13; 10. Ivan Capelli, Italy, 6.

TRACK & FIELD

Mercedes Mile

Results of Saturday's race in New York:

Men

1. Peter Elliott, Britain, 3 minutes, 47.83 seconds; 2. Steve Cram, Britain, 3:48.39; 3. William Tanui, Kenya, 3:50.52; 4. Jose Luis Gonzalez, Spain, 3:51.33; 5. Jim Spivey, U.S., 3:52.04; 6. Matthew Yates, Britain, 3:53.63; 7. Kip Cheruiyot, Kenya, 3:54.54; 8. Jens-Peter Herold, East Germany, 3:55.39; 9. Mauricio Smith, U.S., 3:55.46; 10. Marcus O'Sullivan, Ireland, 3:55.49.

Women

1. PattiSue Plumer, U.S., 4:16.68; 2. Natalya Artyomova, Soviet Union, 4:17.49; 3. Yvonne Mai, East Germany, 4:19.43; 4. Sandra Gasser, Switzerland, 4:20.61; 5. Svetlana Kitova, Soviet Union, 4:28.66; 6. Viorica Ghican, Romania, 4:24.98; 7. Christina Boxer Cahill, Britain, 4:25.23; 8. Teena Colebrook, Britain, 4:31.91; 9. Angela Chalmers Espinoza, Canada, 4:33.70; 10. Aisling Molloy, Ireland, 4:33.75.

DENNIS THE MENACE

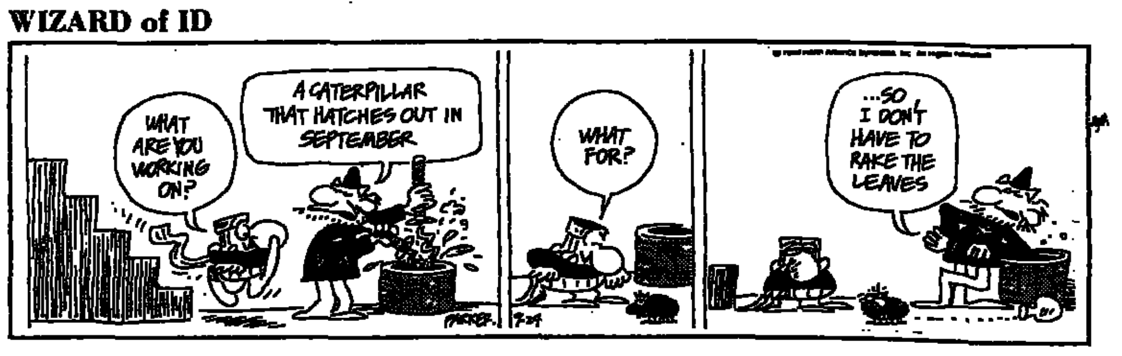
"DO YOU WANT THE THINGAMAJIG OR THE DOOHICKEY?"

PEANUTS

ANDY CAPP

BLONDIE

WIZARD of ID



JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

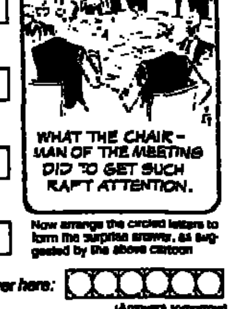
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PYJUM

DAULT

HATHEL

WURPAD



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Saturday's Jumbles: EIGHT STOIC HEAVEN TINGLE
Answer: A home is what more people bet on - - - THAN GET ON

BEETLE BAILEY

REX MORGAN

TO OUR READERS IN WARSAW

Morning hand delivery of the IHT day-of-publication is now available. Call today: 635 37 75

DOONESBURY

GARFIELD

© 1990 United Feature Syndicate, Inc.

هكذا من الأصل

MONDAY SPORTS

Giants Put Brakes On Marino, Bears Remain Undefeated

Compiled by Our Staff From Dispatches

The Giants shut down Dan Marino and Miami's offense, and Ottis Anderson became the National Football League's No. 8 all-time rusher as New York defeated the Dolphins, 20-3, Sunday.

The meeting in East Rutherford, New Jersey, was the first between the teams since 1972.

The Giants dominated the entire game, holding the ball for 40 minutes, 18 seconds. Miami got into New York territory just once and managed its only score on a 51-yard field goal by Pete Stoyanovich early in the third quarter.

Perry Williams and Myron Guyton intercepted Dolphins passes and Lawrence Taylor recovered a fumble by Troy Stradford at Miami's 10-yard line early in the fourth quarter to set up Anderson's second one-yard touchdown. That score gave New York a 17-3 lead.

Anderson, who also scored late in the first half, finished with 72 yards on 25 carries. He has 9,433 career rushing yards, moving him ahead of Earl Campbell, who had 9,407, on the NFL's rushing list.

For the game, Miami gained 39 yards on 11 rushes against the league's top-ranked defense facing the run. Sammie Smith, who led the league in rushing with 215 yards entering the game, gained nine on five carries.

Marino finished 14 of 30 for 115. He was sacked for the first time this season when Taylor and Leonard Marshall got to him late in the game.

Taylor, who charged around blockers on the final play of the game, left the field limping and grabbing his hamstring. He needed help going to the dressing room.

Bears 19, Vikings 16: In Chicago, Kevin Butler's 52-yard field goal with four seconds remaining after punter Harry Newsome fumbled a snap kept the Bears unbeaten.

The Bears stopped the Vikings with 25 seconds left and, on fourth down, Newsome dropped the snap and the Bears recovered on the Minnesota 39. They failed to make a first down before Butler broke the 16-16 tie with his fourth field goal of the game.

The Vikings had tied it with a 17-yard touchdown pass from Wade Wilson to Hassan Jones with 1:55 left. Wilson completed five passes in the 80-yard drive.

Chargers 24, Browns 14: Billy Joe Tolliver threw two touchdown passes to Anthony Miller and the San Diego defense set up two other scores with turnover recoveries. The victory in Cleveland over the defending American Football Conference Central Division champions was the Chargers' first of the season.

Fuad Reveiz kicked a 42-yard field goal and Rod Bernstine scored on a one-yard plunge with 11:24 left in the game.

The San Diego defense sacked Bernie Kosar three times, intercepted three of his passes and also recovered a fumble.

Redskins 19, Cowboys 15: Chip Lohmiller kicked four field goals, and Darrell Green ran an interception back for a touchdown as the Redskins, playing the second half without injured quarterback Mark Rypien, won in Washington.

Rypien went out with a sprained knee with two minutes left in the half and watched the rest of the game on crutches. There was no word on his status for next week.

The Redskins sacked Troy Aikman eight times, forced him into a fumble and intercepted him twice.

Lohmiller kicked field goals of 24 and 55 yards after Dallas tied the score at 6 on Ken Willis's second field goal, 1:19 into the second half. Green's 18-yard interception return with 13:24 left made it 19-6.

Trying to drive for a winning touchdown, Dallas got to the Washington 40 with 1:13 left when Todd Bowles intercepted Aikman.

Bengals 41, Patriots 7: Jim Breech made a record kick and Rodney Holman scored off a fake field goal in a 31-point spree that kept the Bengals unbeaten.

The Bengals forced four turnovers as they raced ahead by 31-0 in the first half in Cincinnati. New England came into the game with the best turnover ratio in the NFL, but self-destructed with four fumbles, two interceptions, two blown coverages on defense, a botched punt and an end zone interception nullified by a holding penalty.

Breech's 46-yard field goal started the spree and gave him a league-record 152 consecutive games with a score, surpassing Fred Cox of Minnesota, whose streak ended on Dec. 2, 1973.

Oilers 24, Colts 10: Warren Moon started up the Oilers' run-and-shoot offense with three touchdown passes and became the Oilers' all-time leading passer in the victory in Houston.

The Oilers struggled in the first quarter, but Moon completed touchdown passes of 13 and seven yards to Lorenzo White in the second quarter.

Moon completed 29 of 39 passes for 308 yards, giving him a career total of 19,289.

Jeff George, the Indianapolis quarterback who was the top pick in the NFL draft but who has struggled so far this season, left the game with a stomach injury in the second quarter.

Chiefs 17, Packers 3: Christian Okoye ran five yards for a second-quarter touchdown and Stan Petry returned an interception 33 yards for another score with three minutes left as Kansas City won at Green Bay, Wisconsin.

The Chiefs also recovered two key fumbles, sacked Don Majkowski six times in his first start of the season and blocked a punt.

Saints 28, Cardinals 7: Rueben Mayes, sidelined all of last season after Achilles tendon surgery, scored three of the Saints' first four touchdowns of the season in the victory in New Orleans.

Mayes's touchdowns came on runs of 10 yards in the third quarter and 4 and 14 yards in the fourth.

Saints quarterback John Fourcade threw a 14-yard touchdown pass to Eric Martin with 22 seconds left in the first half, breaking a scoreless tie. *(AP, UPI)*

NFL ROUNDUP

Rolf-Finn Hewett/The Associated Press

Anthony Carter of the Vikings reached around to catch a pass, but found the football was already firmly in the grasp of Lemmel Stinson of the Bears. Chicago had the game in hand, too, 19-16.

Jays Win, Lead AL East by One As Red Sox Lose to Yankees

Compiled by Our Staff From Dispatches

Mookie Wilson lifted a fly ball over a drawn-in outfield in the bottom of the 10th inning Sunday to give Toronto a 5-4 victory over the Cleveland Indians, moving the Blue Jays into sole possession of first place in the American League East.

Toronto's victory in the SkyDome, coupled with the Boston's loss to New York, gave Toronto a one-game lead with nine games left.

With the score tied at 4-4, Kenny Williams led off the 10th by drawing a walk from Colby Ward, 1-3. Williams was sacrificed to second by Carlos Diaz and Ward issued an *intentional walk to John Olerud* before walking Mark Whiten to load the bases. Wilson then hit a 1-0 pitch over left fielder Stan Jefferson's head to score Williams with the game-winner.

Trailing by 4-3, had Toronto tied the score in the ninth with a run off Cleveland relief ace Doug Jones. Whiten opened the ninth with a single and one out later, Tony Fernandez singled Whiten to third. Kelly Gruber, who earlier hit a two-run homer, followed with a sacrifice fly to deep center.

On Saturday, the Indians had beaten Toronto, 5-2, as Candy Maldonado and Chris James hit consecutive home runs in the sixth. Sandy Alomar Jr.'s homer in the 13th Friday had won that game, 2-1.

Yankees 5, Red Sox 4: Tom Bolton, starting for Roger Clemens, lasted only 1⅓ innings in Yankee *Stadium* as New York sent Boston to its eighth loss in 10 games.

The Yankees made it 5-3 when Steve Sax hit his fourth homer with one out in the seventh off Wes Gardner.

Clemens, sidelined since Sept. 4 with severe tendinitis in his right shoulder, was scratched Saturday night because of continued tenderness. Manager Joe Morgan said he hopes Clemens can start on Friday in the opener of the three-game series against Toronto.

Wade Boggs went zero for five, each time making an out to end an inning.

On Saturday, the Red Sox had lost, 5-2, to the Yankees on Sax's tiebreaking, two-run triple in the *eighth. Ellis Burks and Mike* Greenwell had homered to give the Red Sox a 3-0 victory and a tie for first on Friday night. *(UPI, AP)*

A's Only 2 Away From 3d Straight Division Title

Compiled by Our Staff From Dispatches

Scott Sanderson pitched *his 17th* victory of the season and Rickey Henderson hit his 27th home run as the Athletics defeated the Detroit Tigers, 5-1, in Oakland and closed in on the division title in the American League West.

*Oakland reduced its magic num*ber to two over second-place Chicago. Any combination of A's victories and White Sox losses totaling two would give Oakland's third straight division title.

Sanderson allowed three hits and an unearned run in 6⅓ innings to win for the fifth time in seven starts. Sanderson, who won 16 for Montreal in 1980 in his previous best major league season, is 3-0 against Detroit this year with a 1.06 earned-run average.

White Sox 14, Mariners 5: Chicago kept its slim hopes alive in Seattle as Carlton Fisk homered and drove in a total of four runs.

The White Sox went into the game knowing that if they lost, Oakland would clinch at least a tie for the AL West title.

Chicago got a season-high 18 hits as Robin Ventura, Frank Thomas, Lance Johnson and Ozzie Guillen had three each. Guillen batted in three runs.

"We haven't scored 14 runs all year," said Jeff Torborg, the Chicago manager. "We got great team character and great team attitude."

Trailing by 5-2, Chicago scored four runs in the third inning, two each in the fourth and fifth and four more in the sixth.

Royals 4, Angels 3: George Brett had four hits to raise his league-leading batting average to .332. His seventh-inning homer off Jim Abbott broke a 3-3 tie in Kansas City.

Brett's first hit was his 2,700th in the majors. The four hits gave him his 59th multiple-hit game of the season, most in the league.

Orioles 3, Brewers 2: Mike Devereaux hit a three-run homer in Baltimore as the Orioles sent the Brewers to their fifth straight loss.

Twins 2, Rangers 0: Allan Anderson and two relief pitchers held Texas to three hits in Minneapolis. Dan Gladden and Kirby Puckett *each drove in a run.*

Braves 3, Astros 1: Charlie Leibrandt pitched a six-hitter and Ron Gant drove in two runs in the National League game in Atlanta. *(AP, UPI)*

BASEBALL ROUNDUP

Pirates Keep Lead at 2½ As They and Mets Win

Compiled by Our Staff From Dispatches

Bobby Bonilla homered and drove in two runs Sunday as the Pirates reduced their magic number in the National League East to eight by beating the St. Louis Cardinals, 7-2, in Pittsburgh.

That kept the Pirates 2½ games ahead of the New York Mets, who won in Chicago. The Montreal Expos, six back, had gone into extra innings in Philadelphia.

Bob Tewksbury, who hadn't allowed the Pirates an earned run in 18⅓ innings this season, gave up six on six hits in five-plus innings.

The Pirates scored three times in the first after Wally Backman doubled and Tewksbury hit Jay Bell with a pitch. Andy Van Slyke doubled in one run, Bonilla hit a sacrifice fly and Barry Bonds singled in Van Slyke for his 113th RBI.

Bonilla, given a second chance in the third when third baseman Todd Zeile dropped his foul pop, hit a 3-2 pitch over the right-field wall for his 32d home run. Bonilla's 114 RBI are the most by a Pirate since Dave Parker's 117 in 1978.

On Saturday, the Pirates' Stan Belinda threw a wild pitch that allowed St. Louis to score one run and he walked in another run as the Cardinals won, 3-2.

Rookie Randy Tomlin held the Cardinals on six hits until Milt Thompson doubled with one out in the eighth and Belinda relieved.

Sid Bream had driven in a run with a one-out double in the seventh and Zane Smith had pitched a five-hitter Friday night to give the Pirates a 1-0 victory.

Mets 7, Cubs 2: Darryl Strawberry hit his 37th homer Sunday and Daryl Boston hit a two-run shot as Dwight Gooden won his seventh straight for New York.

The right-hander struck out nine, raising his season total to 207, *the first time he has reached 200* since 1986.

He allowed just three hits until the eighth, when pinch hitter Dave Clark, Jerome Walton, Ryne Sandberg and Mark Grace all singled to score two runs.

Strawberry hit a two-run homer to set a club record with 106 RBI Saturday as the Mets ended a five-game losing streak by winning, 11-5. Daryl Boston had three hits and drove in four runs.

Andre Dawson of the Cubs stole his 300th base, joining Willie Mays as the only players in major league history with 300 homers, 300 steals and 2,000 hits. Dawson's totals are 343, 300 and 2,191; Mays ended his career with 660, 338 and 3,283.

Ryne Sandberg's sacrifice fly in the eighth had given the Cubs a 4-3 victory on Friday night.

Phillies 3, Expos 2: Philadelphia beat Montreal in Veterans Stadium for the second straight game Saturday as Mickey Morandini hit his first major-league home run for the Phillies. It was the first time since Aug. 22-24 that the Expos had lost consecutive games.

Lenny Dykstra had singled home Dave Hollis from first base with two outs in the 12th inning Friday night. Dykstra scored one run and knocked in another for the Phillies on Saturday. *(AP, UPI)*

Single-Minded Reds Sweep Doubleheader, Up Lead to 4

Compiled by Our Staff From Dispatches

Eric Davis drove in three runs and Cincinnati sent 11 batters to the plate in a six-run seventh that gave the Reds a 9-5 victory in San Diego and completed a doubleheader sweep of the Padres.

In the first game Saturday night, Barry Larkin drove in three runs as Cincinnati won, 6-4.

"We hadn't won a doubleheader all year," said Lou Piniella, the Reds' manager. "We sure picked a good time."

Cincinnati increased its lead to four games over the Los Angeles Dodgers in the National League West. Each team has 10 games left.

Davis had homered and driven in three runs as Jose Rijo pitched a five-hitter Friday night, when the Reds won, 10-1, to end a three-game losing streak.

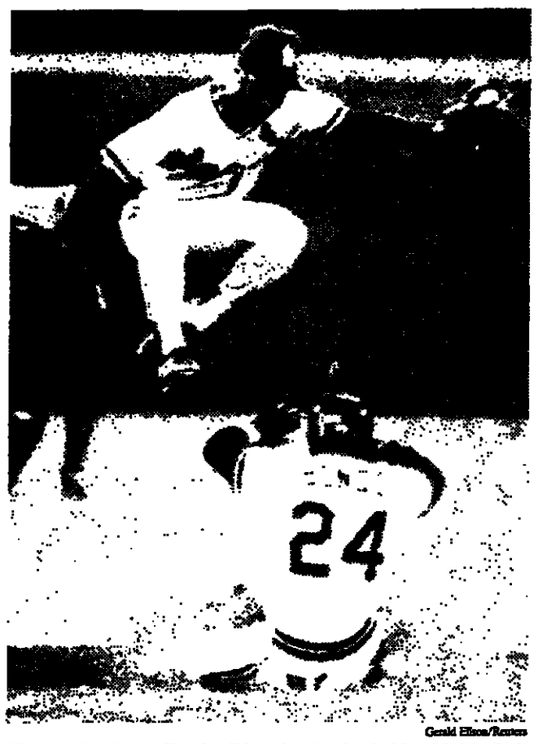
In Saturday night's second game, the Reds got one hit off Atlee Hammaker the first five innings, then got five singles with two out in the sixth to pull ahead, 3-2.

A single, a walk and a double steal set up Mariano Duncan's two-run double in the seventh. Davis singled in Duncan, then Chris Sabo walked and Glenn Braggs singled in Davis. A walk later, Terry Lee's two-run double made it 9-2.

Dodgers 6, Giants 3: Dennis Cook, in his first start for Los Angeles, held San Francisco to one run in 6⅓ innings and singled during a five-run sixth as the Dodgers celebrated the 63d birthday of their manager, Tom Lasorda.

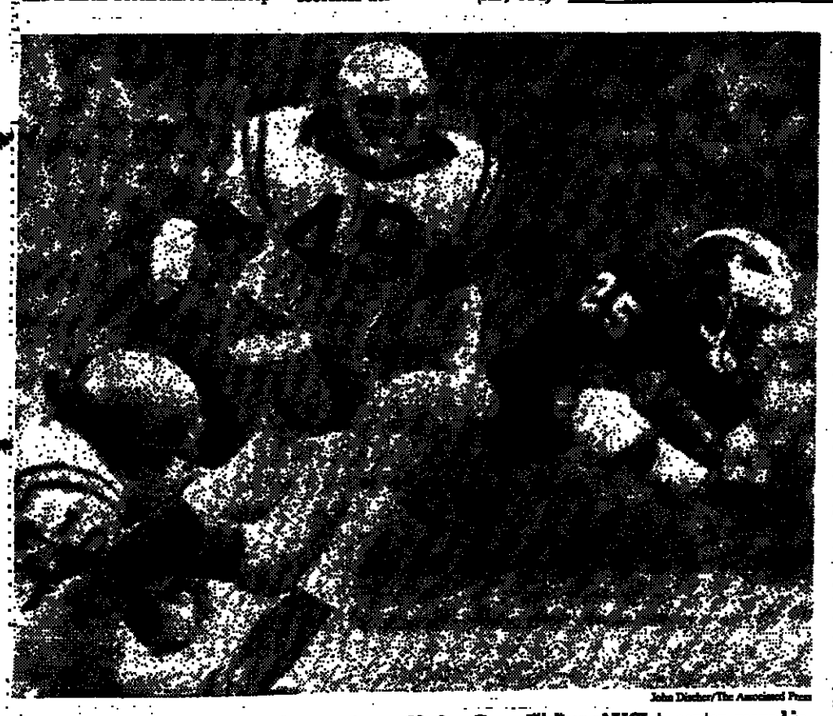
Kirk Gibson doubled home the first run in the sixth and Juan Samuel singled in two more.

Kal Daniels went 4-for-4 as the Dodgers won, 16-3, on Friday night. *(UPI, AP)*



Gerald Ellson/Reuters

Pittsburgh's Barry Bonds slid under Ozzie Smith with his 50th steal. Bonds and Eric Davis of Cincinnati are the only major league players to steal 50 bases and hit 30 homers in the same season.



John Dicker/The Associated Press

Jon Vaughn of Michigan headed for an extra yard before Bruce Walker of UCLA, center, moved in. Bruce Walker, left, made the stop, but Vaughn scored three touchdowns in the Wolverines' victory.

The Way the Ball Bounces, It's All Notre Dame

The Associated Press

Top-ranked Notre Dame, playing back a scene from its last-minute victory over Michigan a week earlier, has used the passing of Rick Mirer to score a 20-19 victory over Michigan State, ranked No. 24 in The Associated Press college football poll.

In its season opener, a pass by Mirer was deflected by a Michigan defender into the hands of Adrian Jarrell, keeping alive the scoring drive that began the Notre Dame comeback to a 28-24 victory.

On Saturday at East Lansing, Michigan, Mirer's pass bounced off the chest of linebacker Todd Murray and into Jarrell's hands. Instead of a turnover that likely would have meant defeat, Notre Dame had a first down at the Spartans' two-yard line. Three plays later, Rodney Culver's one-yard run brought victory.

"There's definitely somebody looking out for us," said Mirer.

The Irish (2-0), trailing by 19-14, began the winning drive with 5:15 remaining at their 19 and took 12 plays and 4 minutes, 41 seconds to score. Mirer, who completed 14 of 21 passes for 155 yards, threw a 24-yard pass to Jarrell during the drive. Culver scored three plays later, with 34 seconds to play.

No. 2 Florida St. 31, Tulane 13: Brad Johnson threw a 44-yard touchdown pass and went a yard on a quarterback sneak for another score as Florida State improved to 3-0 with the victory in New Orleans.

Johnson's touchdown pass ended a six-play, 87-yard drive during which he completed three straight passes for 35 yards, then found Edgar Bennett in the right flat. Johnson drove the Seminoles 73 yards before scoring on a sneak in the third quarter.

No. 4 BYU 62, San Diego St. 34: Brigham Young improved to 4-0 as Ty Detmer threw for 514 yards in completing 26 of 38 passes, three to Andy Boyce for touchdowns in Provo, Utah.

No. 21 Washington 31, No. 5 Southern Cal 0: Mark Brunell of the Huskies (3-0) ran for a touchdown and passed for one in Seattle as he outplayed Todd Marinovich, the highly touted sophomore for USC (2-1).

Brunell completed 12 of 23 passes for 197 yards and ran for 38 yards on eight carries. Marinovich completed seven of 16 passes for 80 yards with two interceptions before leaving the game in the fourth quarter.

No. 7 Michigan 38, UCLA 15: Jon Vaughn ran 1, 23 and 63 for touchdowns for the Wolverines (1-1), who overcame a 353-yard passing effort by freshman Tommy Maddox of UCLA (1-2) in Ann Arbor, Michigan.

Vaughn scored the first touchdown to complete the Wolverines' 76-yard drive in the first quarter. His second scoring run was with 1:09 left in the half.

No. 8 Nebraska 56, Minnesota 0: Mickey Joseph ran for two touchdowns and passed for two more in the Cornhuskers' 42-point first half in Lincoln, Nebraska.

No. 10 Virginia 59, Duke 0: Shawn Moore threw for three touchdowns and ran for one as Virginia (4-0) won in Durham, North Carolina. The Cavaliers have beaten Kansas, Clemson, Navy and Duke by a combined 194-31.

No. 11 Oklahoma 52, Tulsa 10: Two early touchdown passes from Steve Collins to Artie Guess set the tone as Oklahoma relied on passing for the victory in Norman, Oklahoma. The Sooners (3-0) threw 25 passes, six short of the school record set in 1938.

No. 12 Texas A&M 40, North Texas 8: Lance Pavlas threw for three touchdowns in the first half and Darren Lewis became the rushing leader for Texas A&M (3-0) with the victory at College Station, Texas. Lewis gained 132 yards to increase his total to 3,711, eight more than Curtis Dickey's school mark.

Mississippi 21, No. 13 Arkansas 17: In Little Rock, Arkansas, defensive backs Chris Mitchell and Chauncey Godwin tackled Arkansas's Ron Dickerson at the one-yard line in the game's final seconds, securing the upset for the Rebels.

No. 15 Illinois 56, Southern Illinois 0: Howard Griffith scored all eight of the Illini's touchdowns, a National Collegiate Athletic Association record, in the victory in Champaign, Illinois. Griffith broke the mark of seven touchdowns scored in 1951 by Arnold Boykin of Mississippi against Mississippi State and wiped out the record of 43 points in a game set by Jim Brown of Syracuse against Colgate in 1956.

No. 17 Clemson 48, Appalachian St. 0: Freshman Ronald Williams rushed for 183 yards and three touchdowns in his first start. Williams, replacing the injured Rodney Blunt, scored on runs of 4, 7 and 38 yards as the Tigers won in Clemson, South Carolina.

No. 18 Arizona 22, Oregon 17: Darryl Lewis, who had a 65-yard punt return touchdown called back on a penalty in the first quarter, returned an interception 52 yards to put the Wildcats (3-0) ahead to stay in the third period in Tucson, Arizona.

Then, with nine seconds left, Lewis tackled Oregon quarterback Bill Musgrave inches shy of scoring on fourth and goal.

No. 19 Florida 27, Furman 3: The Gators (3-0), who learned two days earlier that NCAA probation will keep them from playing in a bowl game this season, methodically pulled away from the nation's top-ranked Division I-AA team in the game in Gainesville, Florida. Errict Rhett rushed for 98 yards and Shane Matthews passed for 238 yards and three touchdowns.

No. 20 Colorado 29, No. 22 Texas 22: Eric Bieniemy scored three touchdowns, two on short runs in the fourth quarter, as Colorado (2-1-1) overcame an eight-point deficit in Austin, Texas.

COLLEGE FOOTBALL

We can help you call your boss in Boston.

Or your partner in Palo Alto.
Or your broker in Boca Raton.
With *AT&T USADirect® Service*, calling the States is fast and easy. You just dial the special *AT&T USADirect* access number for the country you're in.
Within seconds, you'll experience one of the friendliest sounds you can hear when you're away from home. An AT&T Operator offering to help you complete your call.
Use your *AT&T Calling Card* or call collect. And not only can you minimize hotel surcharges but you can also save with our international rates.

Only *AT&T USADirect Service* puts you in easy reach of an AT&T Operator in the States from over 75 countries around the world.
And it's just another way AT&T is there to help you from practically anywhere in the world.
Whether it's calling your boss in Boston.
Or your client in Kalamazoo.

AT&T USADirect® Service.
Your express connection to AT&T service.

*AUSTRIA	022-903-011	*FRANCE	19*-0011	*NETHERLANDS	06*-022-9111
BAHRAIN	800-001	*GAMBIA	001-199-220-0010	*NORWAY	050-12-011
*BELGIUM	11-0010	*GREECE	00-800-1311	*SWEDEN	020-795-611
CZECHOSLOVAKIA	00-420-00101	*HUNGARY	00*-36-011	*SWITZERLAND	046-05-0011
*DENMARK	8001-0010	*ITALY	172-1011	U.K.	0800-89-0011
EGYPT	02-356-0200	LIBERIA	797-797	W. GERMANY	0130-0010
*FINLAND	9800-100-10	LUXEMBOURG	0-800-0111	ZIMBABWE	110-899

*Await second dial tone.
† Public phones require coin or card
‡ In Cairo dial 356-0200

For additional *USADirect* access numbers or information about the service, call us collect at 412-553-7758. When in the U.S., call 1 800 874-4000 Ext. 416 for your free *USADirect* information card.

AT&T The right choice.

Separating the Inside From the Outside

By Alan Furst
International Herald Tribune

IN the early 1970s, Seattle had an almost terminal case of the urban miseries. The Boeing Co. had laid off 75,000 employees — the city's population was around 500,000 at the time — the regional job market was flooded, an organization called Neighbors in Need was providing free food to people who had never missed a meal, "for sale" signs went up on every street, and just about everybody, it seemed, was packing up and heading south. Out on Aurora Boulevard a billboard appeared: "Will the last person leaving Seattle please turn out the lights." That gag, and all the rest of the woe, made the national news. Seattle's image — no work, no money — was firmly set in the public mind.

Local slang had a name for Seattle's apparent destiny: "Newark." It meant flight of the middle class, loss of a tax base, deteriorating schools and neighborhoods, and a rising crime rate — a combination that would leave Seattle in the same condition as Newark, New Jersey: a few islands of wealth surrounded by an ocean of poverty.

What to do? The mayor, Wes Uhlman, and the public-spirited members of the city's aristocracy came up with an ingenious solution: the arts. Here was a way to fashion a new public image, keep the population at home, and replace those who had left, while the city gained time and worked for changes in the economic climate.

A moribund arts commission was revived, and a classic image-building campaign initiated. The major cultural institutions — opera, symphony, museum — were in financial difficulties, but this merely served as a sort of *casus belli*. The arts commission rushed to the rescue with a few hundred thousand dollars. Wes Uhlman went on the road, mostly to conferences — of mayors, of cities, whatever was scheduled — where he announced what had been done, then offered resolutions for a vote: that the arts were a crucial aspect of urban life and should be supported. Well, who was going to vote against that? Uhlman was backed up by a newsletter and a blizzard of press releases to the culture media. "Seattle, the city that loves the arts." The campaign evolved: Seattle not only supported the arts, it had good schools and fresh air, it had *quality of life*.

Our heroine wriggled free of her ropes and rolled off the tracks just about the time the train to Newark came roaring through. The city was saved. It did, in fact, have lots of fresh air. It didn't necessarily have more art or better artists than, say, Portland, Oregon, but it never claimed it did. The city simply thundered back a sturdy response to an argument — A city should not support the arts! — that hadn't ever really occurred to anybody to make.

That was in the '70s, this is the '90s. The term these days is "cultural engineering," which is, according to John Thackara, managing director of the Design Analysis International consultancy in London, "the strategic use of cultural projects to transform the way organizations . . . are perceived externally." On the face of it, nothing new. "An evening with Plato" might have been sponsored in ancient Athens by a company wanting to be known as "the olive people." For decades, Texaco associated itself with the Metropolitan Opera by sponsoring its Saturday afternoon broadcasts.

That kind of approach Thackara calls "the gilded cage theory of sponsorship — you invite your sponsors to drink champagne and eat canapés as they are doing good. There's no need to connect the content of the art with the content of the business. On the contrary, their basic sim in life is to be left alone. Philanthropy persuades society that they're nice people, and then they can get on with it."

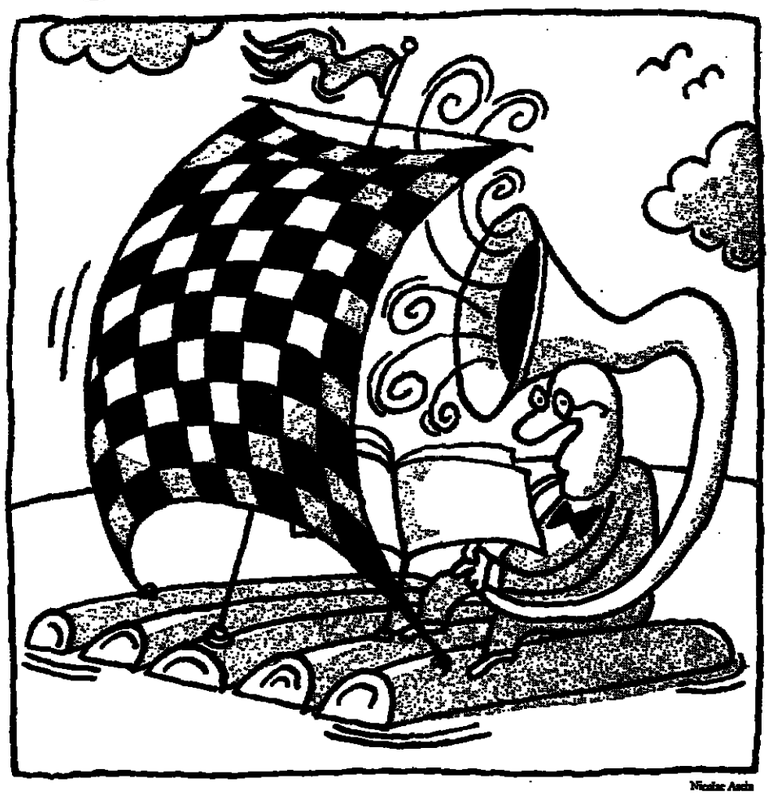
Cultural engineering, on the other hand, is precisely the reverse of that approach. It seeks to establish what Thackara calls "deep marketing." Take for example, the Toyo Sash Co. of Tokyo — currently in the process of changing its name to Tostem — which essentially makes aluminum windows and doors. In 1989, in cooperation with the Workshop for Architecture and Urbanism, a Tokyo consultancy, Toyo Sash conceived a project called Kyokai. According to Kayoko Ota of the Workshop, "Kyokai means border. In Japanese, it hints of breaking through the borderline." In English, the project is called Threshold; in French, Le Seuil.

The French version serves as the title of an international competition to be held at the Pompidou Center in Paris in the fall of 1991, supervised by François Burkhardt, director of the Centre de Création Industrielle. The project "proposes to bring together the work of architects, designers and theorists toward delineating the dimensions — hard and soft — of human living space in terms of design challenges." The preface to the competition brochure asks, "What are we doing when we separate inside from outside? Let us consider all such demarcation 'architecture'; whenever people open portals to light, air and movement, or conversely whenever people close off areas and access by means of partitions, we create multivalent relationships *in between*."

The jury of the competition includes Emilio Ambasz of Argentina, Achile Castiglioni of Italy, Hans Hollein of Austria, Arata Isozaki of Japan, Robert Wilson of the United States, and five others; individuals described by Thackara, whose firm is advising, as "the top table of avant-garde architecture, avant-garde architects who actually get built."

Threshold is a three-year undertaking — magazines, videotapes and lectures will follow the exhibition — and not inexpensive. So what does Toyo Sash have to gain? Next question: Who buys doors and windows? Answer: Architects. Anybody who has ever contemplated building a house has learned the terrifying truth about doors and windows, they cost "an arm, a leg, and a doorknob," and they are highly engineered pieces of technology. Much the best to let the architect make the choice. What Toyo Sash is saying to the architects is, in Thackara's words, "you may be aware that we are a very intelligent company who sponsor very good work and if you want to get into the intelligent-building market, you may want to associate yourself with an intelligent company."

Toyo Sash has been extremely successful in Japan, with recent annual sales of over $2 billion. By 1992, with the Pompidou Center exhibition, it will have established an image — thoughtful, progressive — in the minds of European and American architects. Should the company determine to move into overseas markets, cultural engineering will have provided a crucial first step in crossing that particular threshold.



Nicolas Asch

LANGUAGE

Defining Those Defining Moments

By William Safire

WASHINGTON — "The Iraqi invasion of Kuwait," testified Secretary of State James A. Baker 3d, "is one of the defining moments of a new era." Lest anyone miss the import of the phrase, he came back to it a moment later: "we must respond to the defining moments of this new era."

Before pinning down the meaning and its grammatical repercussions, let's consider some usages:

In January 1988, soon after Vice President George Bush confronted the CBS anchor Dan Rather, the manager of the Bush presidential campaign, Lee Atwater, hailed it as a "*defining moment.*" The Los Angeles Times editorialist noted that Atwater chose the phrase over another possibility, *shining hour*.

During the 1988 Democratic convention, the columnist Mark Shields used the phrase in a reflexive sense, not as "a moment that defines" so much as "a time for defining oneself." Speaking of Jesse Jackson's forthcoming convention speech, the pundit told MacNeil-Lehrer: "*It's a defining moment politically . . . he's* going to be talking to 50 million plus Americans, and I think he has to define what he's about."

The increasing frequency of the use of the phrase in a political context made it prey for ironists. Maureen Dowd of The New York Times, in a story about the recall of Perrier bottled water after impurity was discovered, wrote: "As yuppies poured their Perrier down the drain and debated the merits of Pellegrino water versus Ramlosa, they wondered whether the recall might be a defining moment."

□

We may have a major coinage here; the term is crossing over from politics to the general language. This is a job for the Phrasedick Fraternity. (Relax, we also have a Solecism Sorority; the nomenclature is determined by alliteration, not sex.)

Who coined *defining moment*, and at what moment? This etymological dig was in my own backyard; all I had to do was stroll through the Washington bureau of The New York Times. The earliest citation in our Nexis files is a Nov. 13, 1983, article in the Times by Howell Raines — now the Washington editor — titled "John Glenn: The Hero as Candidate."

"Confronted by Glenn and his 'constituency of the whole' candidacy," Raines wrote, "Walter Mondale has rallied the Democratic establishment. It is a defining moment."

I offered him the historic opportunity to define his term. Here it is, from the horse's mouth: "Defining moment is that point at which the essential character of a candidate or campaign stands revealed to the individual or political organization and to the external world."

Now let's get to an important decision. I will surely be asked to take a stand on this issue: is *defining* as used in this phrase a gerund (an -ing form of a verb used as a noun, as in swimming pool) or a participle (an -ing form of a verb used as an adjective, as in swimming children)?

In other words, is this a job for the Gerund Jerries, who claim even lovemaking as an example of their favorite category? They hold that *defining*, in *defining moment*, is a *gerund* — a noun ending in -ing — rather than a participle. Let's examine that claim.

□

Consider the difference between *moving target* and *moving van:* a target actually in motion may be properly called a *moving target*, with its *moving* a participle defining the noun *target*. But a van used for a move, even when the huge vehicle is double-parked and causing gridlock for miles around, is a *moving van*, with its moving a gerund used as an attributive noun, modifying another noun. It is a van *for moving*, not a van *that is moving*, illuminating the linguistic landscape with the difference between a participle and a gerund.

Now apply that to *defining moment*. You could argue that the *moment* does the *defining*: it is not a *moment* set aside for *defining*, because nobody knows exactly when that moment will occur. In that case, *defining* would be a participle.

But you could also argue that it is a *moment for defining*, just as a *moving van* is a *van for moving* — with the *moment* itself not doing the *defining* — in which case *defining would* be a gerund, causing much shouting for joy among the Gerund Jerries.

Before deciding, we may entertain a friend-of-the-court brief from historical etymologists. Nobody disputes the root: from *definire*, Latin for "*to terminate, to bound*"; the noun definite means "with clear boundaries," or in modern vernacular, "hard-edged." To the controversy: the participle form of *defining*, defined as "that defines," was first used by the author James Ross in his 1773 hit, "The Fratricide," presumably a musical about phrasedicks: "Defining ears, which idolize/ The dignifying climax of thy verse." Nice try, Jim; however, defining first appeared in gerund form almost four centuries earlier, in John Wycliffe's commentary on Ezekiel 43:13 about "the diffynyng, or certeyntee, therof."

I reject the participilian argument: a *defining moment* is not, in my view, a moment that defines anything. I say that *defining moment* uses *defining* (or *diffynyng*, if you prefer — I'm no stiff on spelling) as a gerund, in this way: a *defining moment* is a moment for defining a person's character, a moment for defining a policy's purpose, a moment for defining an era's quality.

This means, of course, that *moment of truth* is facing its moment of truth. This is from a Spanish bullfighting term, *(el momento de la verdad*, for the final thrust of the sword into the dying bull's neck), which was introduced into English by Ernest Hemingway in his 1932 "Death in the Afternoon" and defined by him as "the actual encounter between the man and the animal." This meaning was extended within a decade to "a crisis, turning point, crucial test."

With *defining moment* at hand, is there any need for *moment of truth*? I think we should hang on to it; like *point of no return*, from the World War II aviation term to set a point from which planes could not turn back without running out of fuel, Hemingway's phrase — though overused — has a brave and noble and true resonance.

In the synonymy of confrontation, a *moment of truth* emphasizes the painful necessity of decision-making (like lovemaking, a gerund); a *point of no return* connotes decisional irrevocability; a *turning point* stresses the point in time at which change was made, and a *defining moment* centers on the expression of character, or lack thereof, in a person or organization facing a crisis.

New York Times Service

ALL SUITE HOTELS

THE ULTIMATE LUXURY ALL SUITE HOTEL AND RESTAURANT 46 AVE GEORGE V 4 ****

Relais CARRE D'OR

Right on the Ave. GEORGE V Just off the CHAMPS ELYSEES 23 prestigious suites in a luxury residence offering warm hospitality in a refined and discreet atmosphere. A charming restaurant "Le Club du Relais" overlooking the Avenue George V, room service, a beautiful inner garden, full of charm & character, private parking facilities.

RESERVATION: Tel (1) 40.70.05.05. Fax (1) 47.23.30.90

ANNOUNCEMENTS

TO OUR READERS VISITING FROM THE U.S.A.

THE IHT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE

Now printed by satellite transmission in New York the International Herald Tribune offers same-day home or office delivery in Manhattan, most areas of Boston, Houston, Los Angeles, Miami, Philadelphia, San Francisco and Washington D.C.

Subscription copies are now flown directly to Atlanta, Chicago, Denver and Seattle for speedy mail delivery.

In the U.S.A., call TOLL FREE 1-800-882-2884

In New York, call (212) 752-3890

or write International Herald Tribune 850 Third Avenue New York, N.Y. 10022 Telex: 427 175 Fax: (212) 755-8785

LONDON TRIP? Best seats available! Phantom, Aspects, Les Mis, Cats, Miss Saigon. Book Now! on 071 388 1594. All major Credit Cards accepted

ALCOHOLICS ANONYMOUS English speaking meetings daily. Tel: PARIS 46 34 59 65 or ROME 678 0220.

ANNOUNCEMENTS

THE AMERICAN UNIVERSITY OF PARIS ADULT EDUCATION PROGRAMS

• FRENCH STUDIES • MARKETING & ADVERTISING • PSYCHOLOGY • WRITING WORKSHOPS • MACRO-COMPUTER APPLICATIONS • PERSONAL FINANCIAL PLANNING • SALES & COMMUNICATION SKILLS • TOEFL & GMAT PREPARATION • AMERICAN LANGUAGE

Register now. Classes begin early Oct. Contact: The American University of Paris, 34 Ave Je New York, 75116 Paris Tel: 47.20.44.99.

INT'L TRADE LAW CAREERS

FREE INFORMATION SESSIONS

THE AMERICAN UNIVERSITY OF PARIS

The Institute for Paralegal Studies at The American University of Paris offers a 4-month day or 7-month evening course on International Trade Law, taught in English. Graduates receive a Paralegal Certificate and employment placement assistance. Call 47.20.44.99 to reserve a place at a Free Information Session on Sept. 27 at 18h30, at 34 Av. New York, 75116 Paris. Fall day classes begin Oct. 8/Fall evening classes begin Oct. 24.

THE AMERICAN UNIVERSITY OF PARIS PART-TIME PROGRAM FOR ADULTS

• ART HISTORY • PHILOSOPHY • • INTERNATIONAL BUSINESS • • PSYCHOLOGY • SOCIOLOGY •

Credit or auditor option. Register now. Courses begin late September. Contact: The American University of Paris 34 Ave de New York, 75116 Paris Tel: 47.20.44.99.

LONDON THEATRE TICKETS Book now for: Phantom of the Opera: Aspects of Love: Miss Saigon; Cats: Les Mis: All sporting events and concerts. All major credit cards accepted. Phone: (71 929 5622 Fax: (71 929 5483.

ADULT ART COURSES, at Parsons School of Design in Paris. Fine arts, photography, fashion drawing, interior design & others. From October 1st to December 15th. Parsons Paris, 14 rue Letellier, 75015 Paris. (1) 45 77 39 66

MILA SCHON. The most refined of all ties, in ZURICH exclusively at - WEINBERG's - leading men's store - 13, Bahnhofstr. 01-211 29 50

MOVING

1992 - NOW ! interdean

INTERNATIONAL MOVERS FOR A FREE ESTIMATE CALL PARIS (1) 39569000 NICE COTE D'AZUR 93742121

MARTINI TECHNOTRANS - NICE / CANNES. Tel: 93.39.43.44. Overseas Moving - Storage - Packing - Air/Sea Shipping. Car/Baggage, Clearance.

REAL ESTATE INVESTMENTS

GOLF COURSES SOUTHERN USA we arrange purchase and management for investors. For details phone USA 803-576-9928 or fax 803-297-8976.

REAL ESTATE FOR SALE

FRENCH PROVINCES

VINEYARD ESTATE IN MEDOC (Bordelais, France). XIXth century historical castle with outbuildings. J.J.I. Paris (1) 47 47 70 61

PARIS & SUBURBS

Le Victor Hugo

PARIS 16TH COLLECTION QUALITY APARTMENTS NEW BUILDING in the most prestigious location. From 3 to 4 rooms, terraces and garden duplex CLOSE TO PLACE VICTOR HUGO 71, rue Mesnil Immediate occupancy, visit by appointment Tel: (33) 1 47.27.49.41 Fax: (33) 1 42.94.23.81 ROCHER INVESTISSEMENT GROUPE PELEGE

REAL ESTATE FOR SALE

PARIS & SUBURBS

7th, BELLECHASE GRENELLE VERY HIGH CLASS

150 sq.m., entirely redone, 2 livings, dining, 3 bedrooms, 2 baths, entirely fitted kitchen, maid's room. Justified high price. MR. INT. Tel: 43.29.39.61.

ILE ST LOUIS, Chai BOURBON, historic building, apartment 2nd floor, 42 sq.m. entry, living, bedroom on mezzanine, kitchen, ½ bath, WC. F2,800,000. Tel: 47.42.48.99 Paris

ON AVE PAUL DOUMER last floor, view, sun. Owner sells lovely 2 rooms, + child's room, all comforts, newly redone. Tel: 45.04.24.30

BASTILLE - SUPERB LOFT with vast terrace, commanding view of Paris. Offers welcome. Tel: 40.51.81.56 or 43.29.45.07 (eves). Fax: 49.24.92.05.

MARAIS, 3-room apartment, 55 sq.m, light 3rd floor, professional use & parking possible. F1.7M. (1) 4911 1127

TOWNHOUSE, NEUILLY AVE BOULE. 320 sq.m, plus cave 800 sq.m. garden. Tel: 46 40 05 55.

FRONT NEAR MONCEAU, Lovely 6 rooms. F6,300,000. Telephone: 42.93.60.05

GREAT BRITAIN

CENTRAL LONDON. Barbican, City of London. Prestigious office/one bed apartment. Views over Art Centre. Porter. Garage. £160,000. Tel: 071 637 7673. Fax: 071 637 7677. Evening: 071 638 5368.

REAL ESTATE FOR SALE

SWITZERLAND

GENEVA, Collonge-Bellerive 400 m. from lake, residential area,

2 luxurious individual villas new, traditional style, 5 bedrooms, 4 baths, living-dining room, fireplace, fully equipped kitchen, play/staff room, double garage. SF 1,940,000 & SF 1,990,000. for Swiss or permit holder. Tel 41.22.734 15 40. Fax 734 12 20.

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

For a day, a week or more Rent a fully furnished and equipped flat with all traditional hotel services Rest at the best town locations. Paris, New York, Brussels, French Rivieras. For one, two or five room flat. Any further information:

FLATOTEL COENSON 14 rue du Theatre 75015 Paris Tel: (1) 45 77 05 55

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

74 CHAMPS ELYSEES LE CLARIDGE

FOR 1 WEEK OR MORE high class studio, 2 or 3-room apartments. FULLY EQUIPPED IMMEDIATE RESERVATIONS Tel: (1) 43 59 67 97

AT HOME IN PARIS 3 MONTHS TO 3 YEARS apartments for rent furnished or not

PARIS PROMO Real Estate Agent - Property Manager 25 Ave Hoche, 75008 Paris. 45 63 25 60

INTER URBIS UNFURNISHED/FURNISHED RENTALS FLATS & HOUSES FOR SALE 31 rue de Monceau, Paris 8th. Tel: (1) 45 63 17 77

RESIDENCE CITY THE VERY BEST RENTALS Phone Paris (1) 45 27 12 19

EXCLUSIVE FURNISHED RENTALS First in quality and service Tel: 1-47 53 86 38. Fax: 1-45 51 75 77.

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

PARIS BIENVENUE. Furnished studios & apartments in central Paris, nightly, weekly, monthly. Chauffeur available to & from airport. (1) 47 53 80 81.

11th, OWNER. Charming, quiet newly remodeled living, dining, 1 bedroom, fully equipped kitchen, bath, FAX, tele, linens, 5 mos or +, F6500. 4806 4855

NEUILLY Madrid on private villa street, charming living + 2 bedrooms, large roof terrace, garage, quiet, parking. F9,000. Tel: (1) 47 20 37 99.

15th, ST CHARLES, very lovely living, dining, 3 bedrooms, 2 baths, well furnished, sunny, quiet. F12,000. Tel: (1) 47 20 37 99

HIGH STANDARD furnished apartments, best areas from 3 months to 3 years. Exclusive Tel: 1 - 47 53 86 38.

ILE ST LOUIS, Seine view, charming, quiet, sunny, fireplace, TV, stereo, up to 6-months lease. (1) 45 77 27 06

MARAIS, close Place des Vosges, Beautiful, charming studio, bath, kitchen. F3,000/week. (1) 48 87 04 92 (eves)

16TH, 2 bedrooms, 7 windows, high, charm, antiques, fireplace, clean. Children yes, 1 yr. $2,200. 46 51 22 99

5TH LUXEMBOURG, charming, beams, lovely studio, well equipped. F4500. Tel: 47 27 61 20

16TH, KLEBER elegant living, dining, bedroom, beautifully furnished & equipped. F8,500. Tel: 47 20 37 99.

PARIS AREA UNFURNISHED

Embassy Service 6 Ave. de Messine 75008 Paris YOUR REAL ESTATE AGENT IN PARIS 45.62.30.00 FAX 42.89.21.54

5th JARDIN DES PLANTES Beautiful 50 sq.m, duplex, 1 sound-proof wood panelled room, beams, all comforts, equipped kitchen. F5,500 + charges. (1) 42 60 63 57

15th DUPLEX, elegant living, dining, 3 bedrooms, balconies, charm, sun, quiet, radiant. F15,000. (1) 47 20 37 99

7th, BAC charming living + 2 bedrooms, balconies, sunny, quiet. F8,000. (1) 47 20 37 99

6th, RUE D'ASSAS. Large 2-room, balcony, parking, view. F15,000. Tel: (1) 45.00.96.70.

GREAT BRITAIN

KNIGHTSBRIDGE £59/night serviced luxury flats beside Harrods. From £55 in Kensington, Oxbridge Apartments Tel: 071 835-1611 Fax: 071 373-0036.

MONACO

CENTER OF MONTE CARLO SPLENDID 4 ROOM APARTMENT for rent, prime location opposite the famous Casino, in a new residential building: large living area, fully equipped kitchen, 3 bedrooms, 3 bathrooms, dressing, with independent studio apartment. UNIQUE VIEW OF CASINO GARDENS AND MEDITERRANEAN For further details please contact AGEDI Bât Residential 26 bis, Bd Princesse Charlotte MC 98000 MONACO Tel: (33) 93.50.66.00. Telex: 479417 MC Fax: (33) 93.50.19.42.

EMPLOYMENT

GENERAL POSITIONS WANTED

AUSTRIAN FORMER SHIP'S HOSTESS, resident in Milan, fluent in Italian, German, English, modest in Spanish, French. Free to travel. Please reply to: Int'l Herald Tribune, Box 695, Via Cassala 6, 20122 Milano, ITALY.

EDUCATIONAL POSITIONS AVAILABLE

NEED HIGHLY QUALIFIED BFL mother tongue teachers, French working papers a necessity. For training institute in Paris. Please send complete letter & complete CV to Box 1826, I.H.T., 92521 Neuilly Cedex, France.

LANGUAGE & MANAGEMENT training centre seeks native English speakers to handle wide variety of course formats. Experience, papers, knowledge of business milieu appreciated. Call 48 24 13 23.

PARIS UNIVERSITY is looking for English teachers of Economics. Please send CV to D. Conlon, 91 Bld Sault, 75012 Paris

COLLEGES & UNIVERSITIES

SELF-CONFIDENCE IS ESSENTIAL IN ADULT LIFE. IT IS NOT ENGENDERED BY PRESSURING AN APPLICANT INTO A COLLEGE BEYOND HIS/HER ABILITY TO COPE, SO...

CHOOSE YOUR AMERICAN COLLEGES CAREFULLY

THE ROGERS GROUP

ADVISORS TO STUDENTS AND FAMILIES ABOUT EDUCATIONAL OPPORTUNITIES IN U.S.

COLLEGES • SECONDARY SCHOOLS GRADUATE AND PROFESSIONAL SCHOOLS

A EUROPEAN-BASED EDUCATIONAL CONSULTING SERVICE WITH TWENTY-FIVE YEARS OF EXPERIENCE

NOW TAKING FALL APPOINTMENTS FOR LONDON, PARIS, FRANKFURT, ROME, ATHENS, JEDDAH, RIYADH AND OTHER CITIES

CALL OR FAX FOR INFORMATION TEL: (39-583) 33-06-97

AUTOMOBILES

BENTLEY TURBO R 1990 / Midnight Blue 10,000 km Tel: Geneva 41+22/64 21 33

AUTO SHIPPING

TRANSCAR 17 av de Friedland, 75008 Paris. Tel 4225 6444, Nice 9221 2550. Antwerp 233 9985. Conner 9039 4944

AUTO RENTALS

CENTURY SELF DRIVE New cars - Unlimited mileage

RENAULT 5	F	967/week	
RENAULT CLIO	F	1,069/week	
PARIS/ORLY	(1)	42 61 68 68	
ORLY AIRPORT	(1)	46 87 16 68	
C.D.G. AIRPORT	(1)	34 29 90 08	
NICE AIRPORT		93 21 11 18	
LYON		78 95 44 88	
MARSEILLE		42 79 28 28	

RENT FROM DERGI AUTO WEEKEND, FF 515.- 8 DAYS: FF2,356 PARIS SUD (1) 45 87 27 04 PARIS EST (1) 43 68 55 55

AUTOS TAX FREE

TRASCO BREMEN. Tax free new and used Alfa, Audi, BMW, Ford, Mercedes, Opel, Porsche, Volkswagen, Volvo. Steinsdamm 38, 2800 Bremen 77, Germany. Tlx: 246604. Fax: (0421/630205. Tel: (0421/633044.

TRASCO BREMEN Mercedes + Audi Armored cars & stretched limousines from stock. Steinsdamm 38, D-2800 Bremen 77 Germany. Tlx: 246604. Fax: (0421/630205. Tel: (0421/633044.

AUTO SERVICES

LICENSE PLATES expired? Fast solution: Passbox Ltd. BCM, Box 49, LONDON WC1N 3XX; UK. 071-4045011; fx 081-9059342. We also insure cars at once.

LEGAL SERVICES

QUICK DIVORCE ATTORNEY legal service Karlsruhestr. 120, 6900 Heidelberg. Tel: (49) 6221 32280.

LOW COST FLIGHTS

ACCESS VOYAGES

	One Way	Round Trip
New York	F1295	F2295
Los Angeles	F1985	F3960
Miami	F1775	F3430
Montreal	F1000	F1890
Vancouver	F2250	F4195
Rio de Janeiro	F3195	F4995
Australia	F4510	F7990
Japan	F4195	F7395
Caribbean	F1480	F2960

and more destinations . . . Discount on 1st & business class *Rates subject to modifications . Restrictions may apply* Tel: (1) 40.13.02.02 & 42.21.46.94 Fax 45 08 83 35 6 rue Pierre Lescot, 75001 Paris Metro - RER Chatelet Les Halles (Lic. 175.111)...and also

ACCESS IN LYONS Tour Credit Lyonnais, 129 rue Servient 69003 Lyons. Tel: (16) 78 63 67 77 Book now by phone with credit card

157 OR BUSINESS CLASS ONLY Free agent Travellers to Orient/Australia/Africa/North & South America. Save up to 30%. No coupons, no restrictions. Imperial Consols 514-341-7227

WORLDWIDE scheduled departure at the lowest ever discounts, economy airfare. Credit cards possible. Tel Paris: 42 89 10 81 or Fax: 42 56 25 82

Page 12 FOR MORE CLASSIFIEDS

THE AMERICAN UNIVERSITY OF PARIS & FRANK BOOKS PRESENT

PARIS INSIDE OUT

An Insider's Guide for Residents, Students & Discriminating Visitors on Living in the French Capital.

To order copies, send per copy:
68 FF / $11.95 US / £7.50 1-49 copies
44 FF / $7.75 US / £4.90 50+ copies
SAVE 35% !
(Receive 50 copies for the price of 32)

ISBN: 2-908171-01-5, 176 pp.
TOTAL ENCLOSED:_____ FOR _____COPIES
Name:_____
Institution:_____
Address:_____
_____
City:_____ Country:_____
Postal Code:_____

Frank Books B.P. 29 F-94301 VINCENNES Cedex, FRANCE

BUSINESS MESSAGE CENTER

ATTENTION EXECUTIVES Publish your business message in the International Herald Tribune, where more than a million of it readers worldwide, most of whom are in business and industry, will read it. Just telex us (Paris 613595) before 10 a.m., assuring that we can telex you back, indicate which copier word you wish to charge it to, the number and expiration date, and your message can appear within 48 hours. Please also include your address and telephone number for our files.

BUSINESS OPPORTUNITIES

MONTREAL CANADA LEATHER RETAIL STORES IN THE MONTREAL AREA

Six strategically located retail stores in the leather business for sale (shoes, handbags, jackets and other leather items). Stores have been in operation for 15 years.

ASKING PRICE: CDN. $250,000

Contact: Jean-Guy Fontaine, c.g.a. Nicanco Holdings Inc. Tel: (514) 694-9000 Fax: (514) 694-5459

BANKING OPPORTUNITIES

FOR EXPATRIATES IN MAJOR LOCATIONS

Financial institution based in West Africa engaged in all classes of banking, insurance, real estate (hotels/golf courses), portfolio management and offshore activities require qualified representatives to generate profitable business. This is an ideal opportunity to actively participate (minimum investment $20,000) in a fast developing financial services group. Please reply, in strict confidence, to IHT Ref. 0790, P.O. BOX 1081 - 2775 Parede Portugal.

BUSINESS OPPORTUNITIES

OFFSHORE COMPANIES TRUSTS INSURANCE COMPANIES. BANKS

We are ten years established in providing offshore services to companies engaged in all types of businesses. ASTON CORPORATE MANAGEMENT 17, Peel Road, Douglas, Isle of Man. Tel: 0624 26570. Tlx: 627691 ASTON Fax: 0624 25126

Premier House, Westminster, London. Tel:(1) 222 8866 Fax:(1) 233 1519.

ATTENTION FOOD IMPORTER & DISTRIBUTOR

We have top quality 'Chinese Shark Fin' with our own production plant in China. We seek reliable food importer to promote distribution of Shark Fin in Europe & America on joint venture basis. Excellent long term supplies and quality control under own management. Particularly attractive for Chinese Restaurant and China Town Food Business. Please reply to Executive Director, Room 601 Austin Tower, 22-26A Austin Avenue, Kowloon, Hong Kong or fax (852) 721 9910

INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM US$150

Comprehensive professional services include nominees, Representative offices, Powers of attorney, Telex, telephone Fax, mail forwarding worldwide Inland Revenue National House, Santon, Isle of Man. Phone: (0624) 822555 Tlx 628382 Inland G. Fax: (0624) 822949

WE HAVE DIFFERENT projects in Poland (up to 50 million US$ value). We are looking for financing for such projects against security in form of land and/or buildings. For more details please contact Telex 471648 in Luxembourg

YOUR MONEY IS WORTH YOUR ATTENTION Guaranteed capital by insurance SAVE CONSULT, 26, Avenue de Cour CH-1007 Lausanne-Call 41+21/6173965

GIBRALTAR COMPANY FORMATION Full confidential and professional services. Gibraltar Trust Co. Ltd, P.O. Box 627, Gibraltar. Tel: 350-79073. Fax 350-70101. Tlx 2110 G Group GK

BUSINESS OPPORTUNITIES

IRISH NON-RESIDENT COMPANIES £175

Ideal tax-avoidance vehicles: low profile, tax free & European. Suitable for trading, consultancy and other activities. For immediate service contact, Eilish Murphy, Sovereign Company Services, 3 Fitzwilliam Place, Dublin 2, Ireland. Tel: Dublin 618490 (International code 353 1) Fax: 618493

HONG KONG CORP., $415. Assad cost $398. SE Ltd. 701 35 Queen's Rd. HK. Tel:852-5223672 Fax: 852-8402217.

BUSINESS SERVICES

LONDON ADDRESS BOND STREET. Mail, Phone, Fax, Telex. Conference room. Call (71-499-9192. Tx: 262690.

DIAMONDS

DIAMONDS

YOUR BEST BUY Single diamonds at wholesale prices by ordering direct from Antwerp, the world's most important cut-diamond market. Give diamonds to the ones you love, buy for investment, for your enjoyment.

Write airmail for free price list or call: JOACHIM GOLDENSTEIN DIAMANTEXPORT BVBA Established 1928 Pelikaanstraat 62, B-2018 Antwerp, Belgium - Tel: (32.3) 234.07.51 Telefax: 32.3/231.38.87.

RENTALS

FULLY EQUIPPED OFFICES on short or long term fare basis Conference rooms Domiciliation, mail, telex, fax

ACTE

BOULOGNE	46 03 38 22
MAIRIE LA VALLEE	60 17 55 00
LA BOETIE	43 59 77 55
FBG ST HONORE	43 59 77 55

PARIS 8th PARC MONCEAU 250 SQ.M. HIGH CLASS EMBASSY (1) 45 62 42 14

TO OUR READERS IN HOLLAND

The International Herald Tribune is now on newsstands throughout Holland every morning six days a week Monday-Saturday. If you have problems getting your copy, please contact: Edipress International B.V. P.O. Box 554, NL 2130 AN Hoofddorp Tel.: 02503-24024/Tx.: 41833/Fax: 02503-23880

ADMINISTRATIVE/SECRETARIAL POSITIONS

English mother tongue secretary

Participer au développement international de BERNARD KRIEF CONSULTANTS, c'est l'opportunité offerte à une

Assistante de direction bilingue anglais

Outre les tâches de secrétariat classique, vous assurez l'ensemble des relations avec nos filiales étrangères.
En relation directe avec le Président et les Directeurs Généraux, vous avez un rôle charnière dans la gestion et l'organisation des différents services parisiens.

A 30 ans, vous avez prouvé vos qualités d'organisation et de rigueur. Vous maîtrisez parfaitement le français. Vous intégrerez un groupe qui attend de vous souplesse, disponibilité, sens des contacts et une excellente culture générale économique.

Merci d'écrire sous réf. 8944/HT avec CV, photo et prétentions.

BERNARD KRIEF CONSULTANTS BP 186-07 - 75326 Paris Cedex 07. PARIS LYON NICE LILLE

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

هكذا من الأصل